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A Message from the American Public: A Report of a National Survey On Health and Social Security by the Advisory Council on Social Security

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A Report of the
Advisory Council
on Social Security

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PREFACE

One of the Council's main convictions is that comprehensive reform can never occur without the support and involvement of the American people. To this end, the Council sought to explore the knowledge, perceptions, attitudes, and opinions of the American people about the health care and income security systems in the United States through a national survey of over 2,400 individuals. A Message from the American People: A Report of a National Survey on Health Care and Social Security by the Advisory Council on Social Security describes the results of this survey, and provides new and fascinating insights into how the American people view these two systems.

The survey was developed through the combined efforts of Social Security and health care policy experts, statisticians, and research professionals, and was conducted by a bipartisan team of survey research firms, American Viewpoint and Penn and Schoen. Two additional statistical and survey experts were important participants in the design and analysis of the survey: Robert Hurd of Apogee Research, formerly professor of communications at Iowa State University, and Marc Berk of Project Hope, formerly with the National Center for Health Statistics.

The Council is indebted to Barbara Cooper, Susan V. McNally, Michael Zambonato, and Virginia Reno of the Council staff for their sustained commitment and substantial contributions to the survey project. Arta Mahboubi and Nancy Row of the Council staff also participated in the project.

The Council appreciates the work of Gary Ferguson of American Viewpoint, as well as that of Linda DiVall, John Wilson, Robyn Hicks, Sloane Scott, and A. Blake Thompson. The Council also thanks for their contributions, Robert Green and Douglas Schoen of Penn and Schoen, and Kevin Barron at Apogee Research. The Council is grateful to the Social Security Administration for its assistance.

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EXECUTIVE SUMMARY

Overview

The Advisory Council on Social Security in order to obtain first-hand information from American citizens on their knowledge, perceptions, attitudes and opinions about the Social Security program and the health care system in the United States conducted two national telephone surveys in October and November, 1991. These two surveys were designed to be comprehensive examinations of public views in health care and Social Security. Each survey interviewed more than 1,200 adult Americans. In both cases, national random-digit probability surveys were employed and extensive call-back procedures were used to ensure random, reliable samples.

The design phase for both surveys began with an extensive review of public domain data provided by the Roper Center for Public Opinion Research. Questions were reviewed by policy experts and a bi-partisan panel and the instruments were pre-tested extensively prior to the actual administration of the survey.

Past Surveys

Many national surveys conducted over the past few years have included questions relating to various aspects of the Social Security program and the health care system in the United States. Regarding Social Security, questions have been asked about: (1) support or opposition to increasing Social Security taxes; (2) expectations about Social Security as a source of retirement income; (3) the relationship of Social Security to the budget deficit; (4) status of the Social Security trust fund; (5) perceptions about the financial status of the Social Security system; (6) the level of Social Security taxation, and (7) cost of living adjustments (COLAs) in benefits.

In 1979, Peter D. Hart Research Associates conducted 1,549 personal interviews on behalf of the National Commission on Social Security. Similarly, in October, 1991, the Advisory Council On Social Security conducted a comprehensive national survey examining knowledge, perceptions, and options facing the Social Security system. Several select questions in the 1991 Survey duplicate questions in the 1979 Hart survey so that the results could be compared with each other. In these cases, the Council found the results of the surveys to be similar.

In the area of health care, there has been a growing amount of inquiry since the mid-1980s. Much of this work was related to the catastrophic care debate. Other surveys have dealt with health issues in a piecemeal fashion by including

health care questions along with other national issues, such as the economy and defense spending. Many of these surveys have attempted to: (1) gauge public support for or opposition to Canadian-style national health insurance; (2) the extent to which people feel reform is necessary; (3) satisfaction with health care and health insurance; and (4) the health care delivery system. Much of this work has attempted to measure these complex issues with a few broad questions. Such an approach fails to consider programmatic realities, including the effects of specific options on consumers and providers, or is too simplistic to provide as accurate measures.

There has been some detailed research performed as well. Robert J. Blendon, Karen Donelan and others have performed extensive examinations of current research on the health care system in the United States and in other countries. This work has explored the concerns of both the public and opinion leaders by examining public support for health care reform, national health insurance, problems of escalating health care cost and access to the health care system, and willingness to pay for expanded health coverage.

In their article "The Public and the Emerging Debate over Nation Health Insurance" (*New England Journal Of Medicine*, July, 1990), Blendon and Donelan cited national surveys conducted by the *Los Angeles Times* and Gallup in 1990 that showed nearly three out of four Americans favor some form of a national health care program. In a later article, "National Health Insurance: Does the Public Buy It" (*The Public Perspective*, March/April 1991) they cited research conducted in April, 1990 and October, 1990 by CBS News and *The New York Times* that indicated public support for national health insurance was at a somewhat lower level (56 percent and 64 percent respectively).

Blendon, in the *New England Journal of Medicine*, indicates that Americans are unsure of how a national system should be financed. Further, the public tends to dislike systems that would limit the choice of a physician or involve waiting for service. Also, he writes that the American public is resistant to paying the increased taxes needed to finance a comprehensive national health insurance program.

Despite the extensive research efforts undertaken by Blendon and others, these surveys have, for the most part, provided an analysis that was limited to aggregate and cross-tabular breakdowns of public response, or lower-level statistical analysis, rather than extensive multivariate statistical analysis. Few, if any, have attempted to determine statistically the underlying factors driving perceptions and attitudes about the Social Security and health care systems, support or opposition to reform proposals, and the relationships among variables.

The analysis performed on The Council's surveys presented here goes far beyond the level of analysis provided in other surveys. Rather than collecting only nominal and ordinal-level data, many questions were designed to provide interval level data. As a result extensive multivariate analyses (including analysis of

variance and multiple regressions) were performed to examine the relationships among variables and answer such questions as: what factors drive desire for change, willingness to pay additional taxes to provide coverage for the uninsured or to expand or continue program benefits, what is the intensity of support for health reform options, and many others. This analysis, then, goes far beyond demographics and, in fact, shows that demographics alone tell only part of the story and explain little about attitudes and perceptions of the health care system.

Comparison With Past Surveys

Most of the questions for the Advisory Council On Social Security were designed specifically for the health care survey. They provide new insight into Americans' views on health care. However, some questions were similar to items that have been included in previous national surveys. The results of these questions, conducted by a variety of sources and obtained through the Roper Center for Public Opinion Research, are very similar. The Council obtained similar survey results.

The comparison of results indicates that attitudes and perceptions regarding the quality of health care, satisfaction with and confidence in personal health insurance coverage, perceptions about the adequacy of coverage in case of a major medical expense, and the extent of employer-provided health benefits have changed little during the past two years. The similarities are demonstrated as follows:

Quality of Health Care

The Advisory Council On Social Security survey found that 78 percent say they are satisfied with the quality of their health care services while 18 percent are dissatisfied. These results are almost identical to those in a CBS/*New York Times* survey conducted in August, 1991 in which 78 percent were satisfied and 19 percent were dissatisfied. Little change is evident since a January, 1990 Gallup survey showed 82 percent satisfied and 15 percent dissatisfied.

Satisfaction with Health Insurance

Council survey results show that 78 percent are satisfied and 21 percent are dissatisfied with health insurance. In January, 1989, results of a survey conducted by NBC News showed 78 percent were satisfied and 18 percent were dissatisfied.

Adequacy of Insurance

Sixty five percent surveyed said they are confident that they have adequate insurance to meet major medical expenses while 33 percent are not. In a

Gallup survey conducted in February, 1990, 66 percent said they were confident and 31 percent said they were not.

Employer Coverage

In a *New York Times* survey conducted in June, 1989, 61 percent reported that they or a family member received health coverage through their employer. Sixty five percent of the Americans made the same claim in the 1991 Advisory Council on Social Security survey. Similarly, in an April, 1989 NBC survey, 29 percent of those receiving employer health coverage said their employer pays all of their health insurance premium with 69 percent receiving lesser premium benefits. In the 1991 Council's survey the figures show 33 percent receiving a full premium benefit and 65 percent receiving less.

Job Lock

A CBS/*New York Times* survey conducted in August, 1991 found that one in three American households had a family member who stayed in a job to avoid losing health coverage. The Council's survey shows a similar number, 28 percent, who report the same constraint.

Health Care As A Right

As with previous surveys, the 1991 Advisory Council on Social Security survey found that roughly nine out of 10 Americans believe that health care is a right.

Support for National Health Reform

The Council survey found no clear preference for any one national health insurance program. Like other surveys, the Advisory Council on Social Security health care survey found that 63 percent of the people favor a Federal health insurance program while 36 percent oppose. These results are similar to a October, 1990 CBS/*New York Times* survey (64 percent favor/27 percent oppose) cited by Blendon, and a January, 1989 NBC/*Wall Street Journal* study (61 percent favor/31 percent oppose).

However, about the same proportion favored each of four other reform approaches -- individual tax credits, managed care, universal protection and employer mandates. No reform approach was strongly supported by more than 14 percent.

The Social Security Survey

The Social Security survey was conducted between October 15 and 25, 1991 and included telephone interviews with 1,231 persons age 18 and older. It collected information about people's overall impressions of Social Security and related

programs, their confidence in the future financing of Social Security, their views of the purpose of Social Security and its role in their actual or expected retirement income, their views of various policy options for financing Social Security and Medicare, and their experience in contacts with the Social Security Administration.

Impressions of Social Security and Related Programs

American, generally report that they are familiar with the Social Security cash benefit program and have a favorable impression of it. Favorable impressions of Social Security are reported by 73 percent, while 18 percent report unfavorable impressions and 9 percent say they are unfamiliar with the program or have no opinion of it.

Medicare, Medicaid and Supplemental Security Income (SSI) were familiar to fewer Americans. Still, favorable impressions of these programs outnumbered unfavorable ones by about 3 to 1.

Predominantly favorable impressions of Social Security were reported by all age groups and ranged from a low of 67 percent for those age 25-44 to a high of 84 percent for those age 65 and older. Respondents' educational attainment and income made little difference in the favorable impressions of Social Security, with large portions of each group indicating favorable impressions of the program.

Willingness to Pay Social Security Taxes

Most Americans say they do not mind paying Social Security taxes. The overwhelming majority (78 percent) agree with the statement "I don't mind paying Social Security taxes to support the program," while 20 percent disagreed with the statement.

This measure of support rises with age, although clear majorities of all age groups indicate willingness to pay taxes to support the program. There are no significant differences in levels of support by income.

Confidence in Social Security

Confidence in the future financing of Social Security was mixed based on responses to three questions: confidence in financing respondents' own retirement benefits; confidence in financing benefits to retirees 30 years from now; and respondents views about changes in their own confidence in Social Security over the past 5 years.

Confidence in Own Future Benefits. When respondents who are not receiving Social Security benefits were asked whether the agree or disagree with the statement; "Social Security will have the money to pay benefits to me when I retire," a majority (51 percent) disagree with this statement, while 46 percent agree. This measure of confidence rises with age, but declines with educational attainment and income.

Confidence in Benefits 30 Years from Now. To standardize the time horizon about confidence in future financing, all respondents were asked whether they agree or disagree with the following statement: "Social Security will be paying benefits to those who retire 30 years from now."

In this case, a majority (51 percent) agree with the statement, while 43 percent disagree. Differences between age groups are smaller in response to this measure of confidence. Levels of confidence reported on this question are similar to results found in separate 1991 survey conducted by the American Council on Life Insurance, which finds that about half of Americans indicate confidence in the future, while just under half do not.

Change in Confidence Over Last 5 Years. Americans tend to report a decline in confidence in Social Security over the past 5 years when asked how their own confidence has changed: 12 percent say their confidence has gotten better, 40 percent say it has stayed the same, while 46 percent say their confidence has gotten worse.

This decline in people's perception of their own confidence in Social Security contrasts with survey results of the American Council on Life Insurance, which found much lower levels of confidence in 1986 than in 1991 about the future of Social Security.

Perceptions of the Purpose of Social Security

There is some disparity between respondents perceptions of what the purpose of the Social Security program should be, and how it works. Respondents were asked to choose which of two statements is closer to their view of what the purpose of the Social Security program should be.

Today, a narrow majority (52 percent) say that benefits alone should provide enough to meet basic needs and obligations of retired people, while 46 percent say that benefits, by themselves, should not be enough, but that together with all other sources of income, should be enough to meet basic needs. In contrast, only 19 percent believe that benefits today are enough to meet basic needs, while 73 percent say that benefits need to be supplemented with other income in order to meet basic needs.

In general, lower income respondents are most likely and higher income respondents are least likely to say that Social Security, alone, should meet basic needs. The large majority of all income groups recognize, however, that benefits need to be supplemented in order to meet all the basic needs and obligations of retired people.

Perceived Adequacy of Retirement Income

Americans in 1991 are more likely than they were in 1979 to have positive views about the adequacy of their actual or expected retirement income. The elderly in 1991 are more likely to report that their income is enough to live comfortably (46 percent in 1991 compared to 34 percent in 1979). Fewer today say their income is not enough to pay their monthly bills (11 percent in 1991 compared to 25 percent in 1979).

Further, working age people today are more optimistic about their retirement income than were those interviewed in 1979 -- 45 percent today say their retirement income will be enough to live comfortably, whereas only 30 percent said so in 1979. Today, just 15 percent believe their retirement income will not be enough to pay monthly bills, whereas 29 percent said so in 1991.

Optimism about the adequacy of future retirement income rose with the respondents' household income, but declined with age. Those under 25 were more likely to believe their income would be enough to live comfortably (62 percent) than those age 45 to 54 (37 percent) or those age 55 to 65 (41 percent).

Role of Social Security in Actual or Expected Retirement Income

Despite the uncertainties they indicated about the future financing of Social Security, Americans under 65 generally expect to receive Social Security when they retire. Almost all (93 percent) said they expected Social Security to be either a major source, or a minor source of their income when they retire.

A key difference between the working-age respondents and the elderly is in the proportion who expect Social Security to be a major source of income, or the "most important" source of income.

In 1991, Social Security --

- was a major source for 68 percent of the elderly, but was expected to be a major source by 45 percent of the nonelderly; and
- was considered the "most important" source buy 54 percent of the elderly, but was expected to be the most important by just 27 percent of the

nonelderly.

Younger Americans often expect that their employer-sponsored pensions from private or government employee plans, or their income from assets -- personal savings, investments, IRAs, Keogh plans, 401(k) or other thrift plans -- will be their most important source of retirement income.

Expectations that asset income will be the most important source of retirement income rise with household income of the respondent, but decline with age. Those age 55-64 -- who are closest to retirement -- are least likely to expect income from assets to be their most important source and are the most likely to expect Social Security to be their most important source. The youngest group -- those 18 to 24 -- have the greatest expectations that savings over their work lives will yield their most important source of retirement income.

Expected Retirement Age

In both 1979 and 1991 respondents were asked how appealing they find the idea of late retirement -- that is postponing retirement to age 70. The majority in both surveys did not find the idea appealing. In 1991, however, the majority of the youngest group -- 18 to 24 year olds -- find the idea either somewhat or very appealing, an increase over that found in 1979.

In general, the 1991 results suggest that many have not ruled out the idea of postponing retirement until age 70, but the idea has strong appeal for only a minority of working age Americans today.

Social Security and Medicare Financing Options

Respondents were asked their views about six financing options for continuing Social Security and five financing options for continuing Medicare, if in the future, the programs did not have enough funds to pay promised benefits. All 11 of the options involved either raising taxes or reducing Social Security or Medicare benefits. Of the eleven options, three received support from a majority of respondents. They include:

- "change the law so that all earnings over $53,000 are subject to Social Security taxes," which was approved by 77 percent and disapproved by 18 percent.

- "reduce (Social Security) benefits for people whose incomes are above a certain level," which was approved by 64 percent and disapproved by 32 percent.

- "make higher income people pay more for their Medicare premium," which was approved by 50 percent and opposed by 47 percent.

Unlike the other options offered, these tend to affect primarily upper income workers or beneficiaries.

Continuing Social Security

After considering the Social Security financing options, the majority (58 percent) of respondents agreed the statement: "The Social Security program should be continued pretty much as is," while 39 percent disagreed. The large majority of those who disagreed said the program should be "modified" (34 percent) rather than "abolished" (2 percent) or "replaced with something else" (2 percent).

When offered an opportunity, in an open ended question, to say how they thought Social Security should be modified, some expressed concern about future financing, but were unsure what to do about it. Some reiterated themes covered earlier in the interview: They wished benefits would meet basic needs for the elderly, or they wished that upper income persons would pay more or receive less so that lower income groups could receive more. Others, however, said that individuals' benefits should be more closely related to what they had paid in. Some raised concerns that had not been covered earlier in the interview -- for example, that Social Security funds should not be used to pay for other government programs.

Administrative Costs

When asked (separately for Social Security and Medicare): "What percentage of the Social Security (Medicare) tax dollars collected do you think goes to paying benefits as opposed to administrative or other expenses?" most Americans indicated they believe that far less is paid out in benefits than is collected in taxes. In all age, education, and income groups the majority of respondents who had an opinion thought that only 25 to 75 percent of the money collected is used to pay benefits, as opposed to administrative or other expenses.

That perception is very different from the actual operations of the programs. Benefits represent about 99 percent of all expenditures from the Social Security trust funds and about 98 percent of Medicare trust fund expenditures.

As a share of total income collected in taxes (and Medicare premiums), benefit are about 88 percent for Social Security and 90 percent for the Hospital Insurance component (HI) of Medicare in 1991. A small minority of respondents (fewer than 10 percent) reported they thought the ratio of benefits payments to money collected was this high.

The Health Care Survey

The Advisory Council's health care survey was conducted between October 27 and November 6, 1991. This survey measured knowledge about the system as well as experience and perceptions, support and opposition for proposals to change the health care system, and opinion on financing options to provide health care for the uninsured.

This represents one of the most comprehensive health surveys ever undertaken. Further, it examines, in detail, all major proposals for changing the health care system. In addition, the survey went beyond tests of overall support for these proposals and measured public attitudes toward the key components of the plans. Also, statistical analyses were run to determine the importance of each concept. The key findings are as follows:

- Americans' knowledge of the health care system is limited. Although a majority of Americans are aware that Medicare doesn't cover lengthy stays in nursing homes and can correctly identify a statement describing the overall Medicare program, a majority cannot the describe the Medicaid program. Only 25 percent know the approximate annual level of national health care expenditure, and just one-third give the correct range of the national health expenditure that is covered by private health insurance.

  Further, there is a strong tendency to overestimate the number of uninsured people. Only 7 percent know the total number of uninsured people in the country. A majority (52 percent) estimate the number at more than 50 million and 27 percent say that more than 100 million Americans are without health insurance at some point during the year.

- A majority of Americans (62 percent) do not believe that major changes are needed in the health care system to meet their personal needs. As a result, 52 percent say their needs are met and 10 percent say minor changes are needed. At the same time, six out of ten Americans when asked about specific reform proposals favored a change in the system. Americans exhibit both a desire for change and satisfaction with the status quo -- presenting a real dilemma for policy makers. A number of factors are involved.

  -- Desire for change increases with dissatisfaction with health care services, health insurance coverage, the costs associated with health insurance, or lack of confidence in the adequacy of health insurance to meet a major health expense.

  -- A large majority of those under age 65 who have private health insurance, however, are satisfied with both their health care services (78 percent) and their health insurance coverage (78 percent).

-- A majority of Americans (66 percent) are confident that they have adequate health insurance to meet the cost of a major medical expense while 33 percent are not. Low confidence is more prevalent among those earning less than $20,000 annually. Confidence in the adequacy of health insurance contributes significantly to desire for change.

- A majority (72 percent) agree with the statement "Changing our health care system would cost everyone more money either in higher taxes or in higher personal health care costs. Forty percent *strongly* agree. There is virtually no difference by region or age. However, those who are most likely to desire change in the health care system are the least likely to agree that change will cost everyone more money.

- Five major proposals for changing the health care system were tested in this survey. These include:

A Total Federal Program	a national health care system run by the Federal government and paid for by Federal taxes;
Managed Care Proposal	an arrangement that essentially is the same financing mechanism as in today's system but with a managed care HMO-style scenario;
Employer Mandates	employers would be required to provide a basic package of health insurance for their employees or pay a special tax so that the government could provide a health insurance plan for basic services;
Universal Protection Proposal	a new type of coverage would pay all medical bills in excess of 20 percent of annual income and where the government would provide health insurance for the poor; and,
Individual Tax Credit Proposal	people would get tax breaks for purchasing insurance and employees could choose between their employer's plan and other plans.

- Americans do not have strongly-held preferences for any of the proposals for changing the health care system. As a result, people are willing to examine options but are not locked into them. This is evidenced by the

fact that majorities "somewhat" favor or oppose each of the proposals for changing the health care system, while few strongly favor or oppose them. Only a small percentage (16 percent) favor all proposals and not more than 14 percent strongly favor any proposal, and attitudes toward one plan do not predict attitudes toward another. The components of the proposals themselves contribute more to our understanding of support than other attitudes and demographics.

- People give high ratings to options that would expand coverage, and low ratings to payment mechanisms and program limitations. Negative ratings are reserved mainly for items that describe the cost of programs, waiting lists, the need for referrals, and limitations on coverage. This finding is consistent with Blendon's 1990 special report. However, our regression analyses also reveal that items that are especially well-liked or disliked are not necessarily important as factors driving support for, or opposition to, the overall proposal.

- The results show that there is no clear preference for any one proposal over another. Each proposal receives roughly the same average level of support. Further, although a majority of respondents favor each option, enthusiasm for these options is not strong. Most people say they "somewhat favor" the options rather than "strongly favor" them. In fact, the highest "strongly favor" percentage is 14 percent. In some cases as many people "strongly oppose" as "strongly favor" an option. The distribution of responses is as follows:

	Total Favor	Total Oppose	Strongly Favor	Strongly Oppose	MEAN*
Total Federal Program	63%	36%	14%	13%	2.7
Managed Care	58%	41%	14%	15%	2.6
Employer Mandates	59%	40%	11%	13%	2.6
Universal Protection	71%	27%	13%	6%	2.8
Individual Tax Credits	65%	34%	11%	8%	2.7

* Mean rating based on a 1-4 scale where 1=Strongly oppose and 4=strongly favor.

There were few differences in the level of support for these options among demographic groups based on age, sex, income, and region. Nor does desire for change drive support or opposition to these options. Rather, the factors driving support or opposition to these options appear to be the components of the options themselves, although satisfaction and confidence in health insurance, willingness to pay for the uninsured, and other associated variables make minor contributions to understanding support.

- An overwhelming majority (81 percent) of those with children under the age of 12 say they would take their children to school-based health centers at or near elementary schools. In these centers, doctors and nurses would see children to provide physical examinations, immunizations, screening for illness, and vision and hearing tests. Further, a majority of all respondents say that these centers should also provide education and counseling to prevent alcohol and drug abuse for elementary school children.

THE SOCIAL SECURITY SURVEY

The Social Security survey was conducted between October 15 and 25, 1991 and included telephone interviews with 1,231 persons age 18 and older. It collected information about people's overall impressions of Social Security and related programs, their confidence in the future financing of Social Security, their views of the purpose of Social Security and its role in their actual or expected retirement income, their views of various policy options for financing Social Security and Medicare, and their experience in contacts with the Social Security Administration.

Impressions of Social Security and Related Programs

Americans, generally report that they are familiar with the Social Security cash benefit program and have a favorable impression of it. Favorable impressions of Social Security are reported by 73 percent, while 18 percent report unfavorable impressions and 9 percent say they are unfamiliar with the program or have no opinion of it. (Table 1)

The Medicare program, which provides hospital and medical insurance for the aged and disabled, is slightly less well known than Social Security -- 15 percent said they were unfamiliar with Medicare or had no opinion of it. Nonetheless, favorable impressions outnumber unfavorable impressions by about 3 to 1. Means tested programs -- Medicaid which provide health benefits to low income persons and Supplemental Security Income (SSI) which provides cash benefits to the low-income aged, blind and disabled -- were familiar to fewer Americans. About 34 precent were unfamiliar with Medicaid or had no opinion of it, and about 59 percent were unfamiliar with SSI or had no opinion of it. Still, favorable impressions outnumbered unfavorable ones by about 3 to 1.

The relative familiarity of the programs to the general public varies with the size of the programs in terms of the number who receive benefits from them. In 1990 about 40 million people received Social Security cash benefits, while 34 million were covered by Medicare, 24 million received Medicaid benefits, and 4.8 million received federally-administered SSI payments.

Predominantly favorable impressions of Social Security were reported by all age groups and ranged from a low of 67 percent for those age 25-44 to a high of 84 percent for those age 65 and older. (Table 2) Respondents' educational attainment and income made little difference in the favorable impressions of Social Security, with large portions of each group indicating favorable impressions of the program.

Table 1

Impressions of Programs, 1991

Now I'd like to read you the names of several programs and have you tell me if your impression of that program is very favorable, somewhat favorable, somewhat unfavorable or very unfavorable. If you're not familiar with the program, just say so.

	Social Security	Medicare	Medicaid	SSI
Number of respondents	1,231	1,231	1,231	1,231
Total percent	100	100	100	100
Very favorable	36	30	19	14
Somewhat favorable	37	35	31	19
Somewhat unfavorable	10	13	11	5
Very unfavorable	8	6	5	4
No opinion	2	2	3	3
Not familiar	7	13	31	56
Total favorable	73	65	50	33
Total unfavorable	18	19	16	9

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Table 2

Impressions of Social Security, 1991

Now I'd like to read you the names of several programs and have you tell me if your impression of that program is very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable. If you're not familiar with the program, just say so. **Social Security**

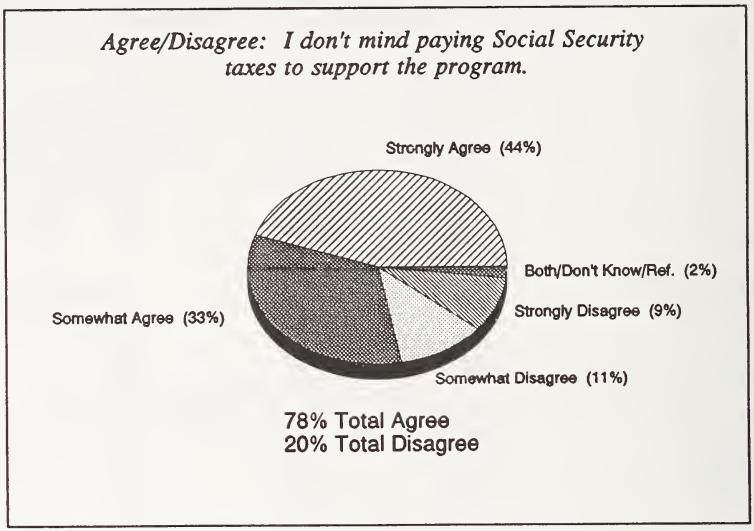
Age, education, and income	Number of Respondents	Total Favorable (percent)	Total Unfavorable (percent)	Unfamiliar No Opinion (percent)
Total	1,231 a/	73	18	9
18-24	170	73	14	12
25-44	535	67	23	10
45-54	166	77	15	8
55-64	139	74	11	14
65 and older	208	84	10	6
Less than high school	184	74	9	16
High school graduate	446	75	14	10
Some college	317	70	21	9
College graduate or more	280	71	23	5
Less than $20,000	426	74	15	11
$20,000 - $39,999	321	74	17	9
$40,000 - $74,999	316	71	21	8
$75,000 or more	73	72	23	6

a/ Numbers for demographic subgroups may add to less than overall total because some respondents did not report all demographic characteristics. Percents may not add to 100 because of rounding.
Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Willingness to Pay Social Security Taxes

Most Americans say they do not mind paying Social Security taxes. The overwhelming majority (78 percent) agree with the statement "I don't mind paying Social Security taxes to support the program," while 20 percent disagreed with the statement. (Chart 1)

Chart 1


Agree/Disagree: I don't mind paying Social Security taxes to support the program.
Strongly Agree (44%)
Both/Don't Know/Ref. (2%)
Strongly Disagree (9%)
Somewhat Agree (33%)
Somewhat Disagree (11%)
78% Total Agree
20% Total Disagree

This measure of support rises with age, although clear majorities of all age groups indicate willingness to pay taxes to support the program. (Table 3) There are no significant differences in levels of support by income. Women are more likely than men to be willing to pay taxes to support the program. Regression analysis indicates that the most important items contributing to willingness to pay Social Security taxes are confidence in the program and a favorable impression of it.

Table 3

Willingness to Pay Social Security Taxes, 1991

Agree/Disagree: I don't mind paying Social Security taxes to support the program.

Age, income, and sex	Number of Respondents	Total Agree (percent)	Total Disagree (percent)
Total	1,231	77	20
18-24	170	76	24
25-44	535	77	22
45-54	166	78	21
55-64	139	87	11
65 and older	208	73	17
Less than $20,000	426	76	18
$20,000 - $39,999	321	80	19
$40,000 - $74,999	316	80	18
$75,000 and over	73	73	26
Men	603	76	23
Women	628	79	17

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

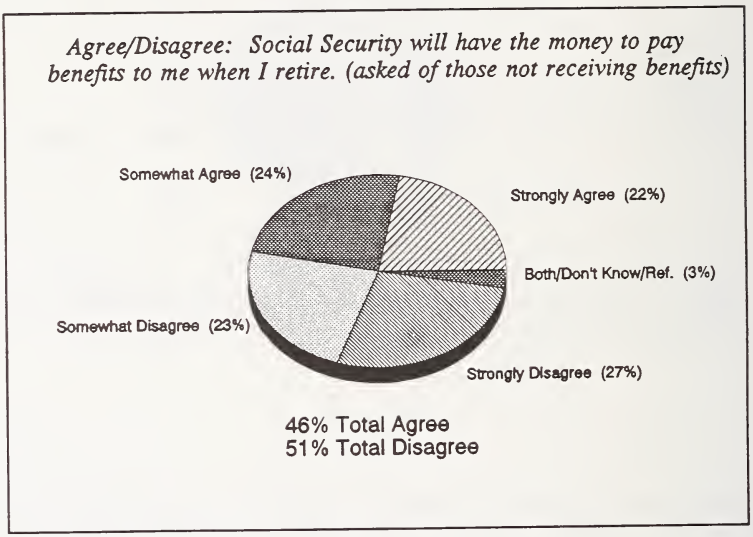
Confidence in Social Security

Confidence in the future financing of Social Security was mixed based on responses to three questions: confidence in financing respondents' own retirement benefits; confidence in financing benefits to retirees 30 years from now; and respondents views about changes in their own confidence in Social Security over the past 5 years.

Confidence in Own Future Benefits

Respondents who are not receiving Social Security benefits were asked whether they agree or disagree with the statement; "Social Security will have the money to pay benefits to me when I retire." As the following chart portrays, a majority (51 percent) disagree with this statement.

Chart 2

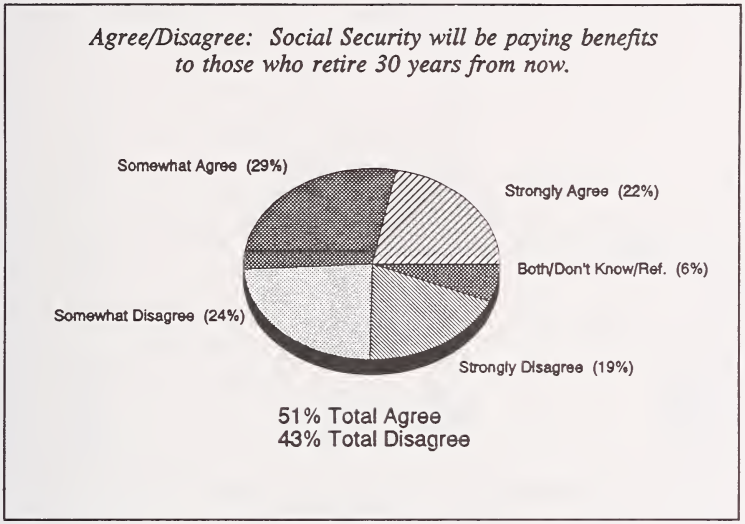

Agree/Disagree: Social Security will have the money to pay benefits to me when I retire. (asked of those not receiving benefits)
Somewhat Agree (24%)
Strongly Agree (22%)
Both/Don't Know/Ref. (3%)
Somewhat Disagree (23%)
Strongly Disagree (27%)
46% Total Agree
51% Total Disagree

This measure of confidence rises with age, but declines with educational attainment and income. The lower confidence among the younger respondents could reflect the fact that their expected receipt of benefits is more distant in the future. Other things being equal, one might expect confidence about a future event to decline the further in the future that event is expected to occur.

Confidence in Benefits 30 Years from Now

To standardize the time horizon about confidence in future financing, all respondents were asked whether they agree or disagree with the following statement: "Social Security will be paying benefits to those who retire 30 years from now."

Chart 3


Agree/Disagree: Social Security will be paying benefits to those who retire 30 years from now.
Somewhat Agree (29%)
Strongly Agree (22%)
Both/Don't Know/Ref. (6%)
Somewhat Disagree (24%)
Strongly Disagree (19%)
51% Total Agree
43% Total Disagree

In this case, a majority (51 percent) agree with the statement, while 43 percent disagree. Differences between age groups are smaller in response to this measure of confidence. (Table 4)

Table 4

Confidence in the Future of Social Security, 1991

"Social Security will pay benefits to. . . "

Age, education and income	*me when I retire a/*		*retirees 30 years from now*	
	Agree (percent)	**Disagree** (percent)	**Agree** (percent)	**Disagree** (percent)
Total	46	51	51	43
18-24	55	44	57	37
25-44	37	61	44	53
45-54	48	49	44	52
55-64	76	19	53	38
65 and older	b/	b/	68	17
Less than high school	68	28	65	23
High school graduate	54	43	54	41
Some college	42	54	47	64
College graduate or more	30	67	42	53
Less than $20,000	50	47	54	34
$20,000 - $39,999	48	49	50	47
$40,000 - $74,999	40	56	46	51
$75,000 or more	37	61	42	54

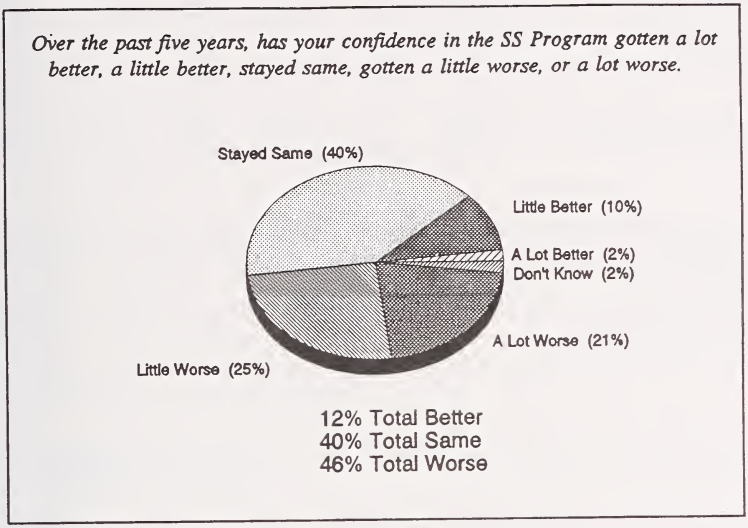
a/ Asked only of those not receiving Social Security
b/ Fewer than 50 sample cases (18)

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Change in Confidence Over Last 5 Years

Americans tend to report a decline in confidence in Social Security over the past 5 years when asked how their own confidence has changed: 12 percent say their confidence has gotten better, 40 percent say it has stayed the same, while 46 percent say their confidence has gotten worse. (chart 4)

Chart 4


Over the past five years, has your confidence in the SS Program gotten a lot better, a little better, stayed same, gotten a little worse, or a lot worse.
Stayed Same (40%)
Little Better (10%)
A Lot Better (2%)
Don't Know (2%)
A Lot Worse (21%)
Little Worse (25%)
12% Total Better
40% Total Same
46% Total Worse

This decline in people's perception of their own confidence in Social Security contrasts with survey results reported by the American Council on Life Insurance from its periodic survey reported in *Monitoring Attitudes of the Public (MAP), 1991.* That survey finds that, among the general public, confidence in the future of the Social Security system is somewhat higher than it was 5 years ago, although it is slightly lower in 1991 than it was in 1990. (Table 5)

The 1991 levels of confidence found in the MAP survey about the future of Social Security are similar to overall levels of confidence in Social Security 30 years from now found in this survey. About half indicate confidence in the future, while just under half do not. The main difference between the surveys is that the MAP survey indicates confidence has improved over the last 5 years, while respondents in this survey report they believe their own confidence has declined.

Table 5

Confidence in the Future of Social Security, 1975-1991

How confident are you in the future of the Social Security system?

	1975	1978	1982	1986	1989	1990	1991
Very confident	22	8	8	9	13	18	17
Somewhat confident	41	31	24	30	32	34	33
Not too confident	27	39	43	37	31	29	27
Not at all confident	10	21	24	21	20	15	18
Very and somewhat	63	39	32	39	45	52	50
Not too and not at all	37	60	67	58	51	43	45

Source: *Monitoring Attitudes of the Public, 1991*, American Council on Life Insurance, Q.20

Perceptions of the Purpose of Social Security

There is some disparity between respondents perceptions of what the purpose of the Social Security program should be, and how it works. Identical questions about the purpose of the program and how it works were asked in this survey and in a 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc. In each survey respondents were asked to choose which of two statements is closer to their view of what the purpose of the Social Security program should be. (Table 6)

Today, a narrow majority (52 percent) say that benefits alone should provide enough to meet basic needs and obligations of retired people, while 46 percent say that benefits, by themselves, should not be enough, but that together with all other sources of income, should be enough to meet basic needs. In contrast, only 19 percent believe that benefits today are enough to meet basic needs, while 73 percent say that benefits need to be supplemented with other income in order to meet basic needs.

When the same questions were asked 12 years ago, more Americans believed that Social Security, alone, should meet basic needs (61 percent in 1979 compared to 52 percent in 1991) and fewer believed that benefits should be supplemented in order to meet basic needs (34 percent in 1979 compared to 46 percent in 1991). In both surveys, the majority of Americans believed that benefits alone do not meet all basic needs and that majority is growing (65 percent in 1979 and 73 percent in 1991).

Combining respondents views about how Social Security should work and how it does work in 1991 shows that:

- 39 percent believe that benefits should meet basic needs, but they don't;
- 33 percent believe benefits should be supplemented to meet basic needs and that is how it actually works;
- 8 percent believe benefits should be, and are, sufficient to meet all basic needs; and
- 11 percent believe benefits, alone, should not be enough to meet basic needs, but they are.

In general, lower income respondents (with household income under $20,000) are most likely and higher income respondents (with incomes of $75,000 or more) are least likely to say that Social Security, alone, should meet basic needs. (Table 7)

Table 6

Purpose of Social Security, 1979, 1991

Which of the following statements is closer to your view of what the purpose of the Social Security retirement benefit program should be?

	1979 Survey	1991 Survey
Number of respondents	1,549	1,231
Total percent	100	100
Social Security retirement **benefits should, alone, provide enough** money to meet the basic needs and obligations of retired people.	61	52
Social Security retirement **benefits should not by themselves provide enough** money to meet all the basic needs and obligations of retired people, **but should provide enough** so that **together with other sources of income**, retired people may have their basic needs an obligations met.	34	46
Don't know, no response	5	2

How Social Security Works

Which of the statements best describes the way the Social Security program actually works?

Social Security retirement **benefits, alone, provide enough** money to meet the basic needs and obligations of retired people.	22	19
Social Security retirement **benefits do not by themselves provide enough** money to meet all the basic needs and obligations of retired people, **but provide enough** so that **together with other sources of income**, retired people may have their basic needs and obligations met.	65	73
Don't know, no response	13	8

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979

Table 7

Purpose of Social Security and How it Works by Household Income, 1991

		Household Income			
	Total	Under $20,000	$20,000-$39,999	$40,000-$74,999	$75,000 or more
Number of respondents	1,231	426	321	316	73
Total percent	100	100	100	100	100
Purpose of Social Security					
Benefits, alone, should provide enough to meet the basic needs of retired people	52	60	53	40	38
Benefits should provide enough together with all other sources	46	37	46	59	60
Don't know, no response	2	3	1	2	2
How Social Security Works					
Benefits alone provide enough to meet the basic needs	19	22	19	16	11
Benefits provide enough together with all other sources of income	73	68	78	78	81
Don't know, no response	8	10	4	5	8

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Most experts would agree that Social Security is not designed to be the sole source of retirement income, but rather, is designed to encourage workers (and their employers) to supplement benefits with employer-sponsored pensions and with individual savings acquired during the work life. The large majority of all income groups recognize that this is how it actually works.

At the same time, however, the Social Security benefit structure is designed to fill a larger earnings-replacement role for low earners than for higher earners, on the theory that higher earners have better prospects for acquiring significant amounts from supplemental pensions and savings. For example, for illustrative workers retiring at age 65 in January 1992, benefits would replace 44 percent of earnings for a worker who had always earned the average wage of all workers ($21,790 in 1991), but would replace 59 percent of earnings for a low earner (who had always earned 45 percent of the average wage) and would replace 24.5 percent of prior earnings for one who always earned the maximum amount taxed and counted for Social Security benefits ($53,400 in 1991).

The larger role of Social Security among those with low incomes is reflected in the incomes of the elderly today.

Perceived Adequacy of Retirement Income

Americans in 1991 are more likely than they were in 1979 to have positive views about the adequacy of the actual or expected retirement income. In the 1991 survey those 65 and older were asked whether their income was: enough to live comfortably, only enough to pay monthly bills and obligations, or not enough to pay monthly bills and obligations. Those under 65 were asked the same question about their expected retirement income. The 1979 survey asked the same questions of the retired and the nonretired.[1]

The elderly in 1991 have more favorable views of the adequacy of their income than did the retired in 1979. (Table 8) In 1991 they are more likely to report that their income is enough to live comfortably (46 percent in 1991 compared to

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[1] There were some differences between the two surveys. (1) The 1991 survey conducted interviews by telephone while the 1979 interviews were conducted face-to-face in the respondents' homes. (2) In 1991, certain questions were asked separately of those under age 65 and those 65 and older. In 1979, similar questions were asked separately of the "nonretired" and the "retired." The retired were those who, when asked their usual occupation identified themselves as "retired" (or who identified themselves as "housewife" or "student" and were the spouse of a "retired" person or were unmarried and age 65 or older).

Table 8

Perceived Adequacy of Retirement Income, 1979, 1991

Asked separately of those (under 65/age 65 and older): How would you describe your (retirement/current) income? Your retirement income (will be/is) enough to allow you to live comfortably, it (will be/is) only enough to pay your monthly bills and obligations, or it (will be/is) not enough to pay your monthly bills and obligations? a/

	1979		1991	
	Not Retired	Retired	Under Age 65	Age 65 and Older
Number of respondents	1,115	434	1,017	214
Total percent	100	100	100	100
Enough to live comfortably	30	35	44	46
Only enough to pay monthly bills	31	38	38	43
Not enough to pay monthly bills	29	25	15	11
Don't know, no response	10	2	3	1

a/ Asked separately of the "retired" and "nonretired" in 1979

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979 34 percent in 1979). Fewer today say their income is not enough to pay their monthly bills (11 percent in 1991 compared to 25 percent in 1979).

Further, working age people today are more optimistic about their retirement income than were those interviewed in 1979 -- 45 percent today say their retirement income will be enough to live comfortably, whereas only 30 percent said so in 1979. The more widespread perception that retirement income is (or will be) enough to live comfortably is consistent with other research that shows some gains in the real income of the elderly over the past decade. One study finds that the real median income of the elderly (after adjusting for inflation and household size) increased, on average, by 3.4 percent per year between 1979 and 1984 and by 0.6 percent per year between 1984 and 1989 for an average increase over the decade of 2.0 percent per year.[2] The nonelderly also experience some real gains over the decade, with real median income (adjusted for inflation and household size) growing at an average annual rate of 0.6 percent.

The decline since 1979 in view that retirement income is not (or will not be) enough to meet monthly bills may also reflect the different experience with inflation in the 1980s compared with the 1970s. In the decade of the 70s the consumer price index (CPI-W) rose at an average annual rate of about 8 percent, and rose by more than 11 percent in a few years, including 1979. High rates of inflation heighten concern that income will not be enough to meet rising monthly bills. The lower inflation experience of the 80s -- with average price growth of about 4.5 percent -- may have helped allay concerns that retirement income will not be enough to pay monthly bills.

Among those under 65 in 1991, optimism about the adequacy of future retirement income was higher among men than women and, not surprisingly, rose with the respondents' household income. (Table 9) But optimism about future retirement income declined with age. Those under 25 were more likely to believe their income would be enough to live comfortably (62 percent) than those age 45 to 54 (37 percent) or those age 55 to 64 (41 percent).

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[2] Daniel B. Radner, "Changes in the Incomes of Age Groups, 1984-1989," *Social Security Bulletin*, vol. 54, no. 12, December 1991

Table 9

Perceived Adequacy of Retirement Income by Age, Household Income and Sex, 1991

Persons Under Age 65

How would you describe your retirement income? Your retirement income will be enough to allow you to live comfortably, it will be only enough to pay your monthly bills and obligations, or it will not be enough to pay your monthly bills and obligations?

Age, Income and Sex	Number of Respondents	Live Comfortably (percent)	Only Pay Bills (percent)	Not Enough (percent)
Total	1,017	44	38	15
18-24	170	62	29	7
25-44	530	42	41	14
45-54	164	37	42	17
55-64	136	41	34	23
Under $20,000	302	30	41	26
$20,000 - $39,999	291	39	46	14
$40,000 - $74,999	290	58	33	6
$75,000 or more	67	81	16	0
Men	525	52	34	12
Women	492	37	42	18

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Role of Social Security in Actual or Expected Retirement Income

In the 1991 survey, those 65 and older were asked about the types of income they receive -- whether each source was a major source, a minor source, or not a source of income -- and then to rank one of those sources as the "most important" source of income. Those under age 65 were asked similar questions about their expected sources of retirement income. Similar questions were asked of "retired" and "nonretired" persons in the 1979 survey for the National Commission on Social Security.

Actual Income of the Elderly

In both 1979 and 1991 over 90 percent of the elderly said they received Social Security and a majority said that Social Security was the most important source of income. (Table 10) Reliance on Social Security as a major source, or the most important source, was reported less frequently in the 1991 survey (which asked the question of all those age 65 and older) than in the 1979 survey (which asked the question of those classified as "retired"). Social Security was reported as a major source of income by 75 percent of the retired in the 1979 survey and by 68 percent of those 65 and older in 1991. It was the most important source of income for 65 percent of the retired in 1979 and for 54 percent of the elderly in 1991.

Both the widespread receipt of Social Security, and a slight decline in reliance on it as the largest source of income are shown in data from the Current Population Survey, conducted by the U.S. Bureau of the Census. Those data show that in both 1978 and 1988, 90 percent or more of the elderly received Social Security, but the proportion of elderly beneficiaries who relied on Social Security for half or more of their total income declined slightly from 66 percent in 1978 to 59 percent in 1988. Those data also show that reliance on Social Security is much greater among the lower-income elderly, while the higher income elderly are more likely to receive half or more of their income from earnings from work or from asset income -- interest, dividends, rental income. (Table 11)

Elderly Americans' perception of their most important source of income in the 1991 survey shows similar difference by household income level. Social Security was viewed as the most important single source of income by two thirds of those with household income less than $20,000, but only by one fourth of those with higher incomes. For the higher income group, income from earnings from work or from assets -- such as personal savings, investments, IRAs or Keogh plans, or 401(k) or other thrift plans -- were more often the most important single source.

Table 10

Perception of Role of Social Security in Current Income, 1979, 1991

Persons Age 65 and Older

Thinking about the types of income people have, please tell me whether you consider each of the following to be a major source of income, a minor source, or not a source of income at the present time? ***Social Security*** a/

Which source do you consider to be your most important source of income?

	1979 (Retired)	1991 (65 and Older)
Number of respondents	434	214
Total percent	100	100
Social Security is a source of income	92	94
Major source	75	68
Minor source	17	26
Social Security is most important source	64	54

a/ In the 1979 interview, respondents classified as "retired" were handed a card and asked:

Here is a card with a list of sources of income people have after they retire. I would like you to tell me for each whether you consider it to be a major source of income for you (and your spouse) during your retirement, a minor source of income during your retirement or not a source of income during your retirement.

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979

Table 11

Reliance on Sources of Income of the Elderly, 1988

Couples and Unmarried Persons Age 65 and Older
(Current Population Survey)

	Total	Under $10,000	$10,000-$19,999	$20,000 or more
Number of elderly units (in millions)	22.1	9.1	6.6	6.4
Total percent	100	100	100	100
Percent who receive half of more or their total income from one of the following sources	82	93	84	69
Social Security	55	84	58	12
Government employee pension	5	2	5	10
Private pension or annuity	2	2	2	4
Earnings	9	2	8	20
Income from assets	11	3	10	23
None of the above sources, alone, accounts for half or more of total income	18	7	16	31

Source: *Income of the Population 55 or Older, 1988*, Susan Grad, Office of Research and Statistics, Social Security Administration, SSA Publication No 13-11871

Expected Retirement Income

Despite the uncertainties they indicated about the future financing of Social Security, Americans under 65 generally expect to receive Social Security when they retire. Almost all (93 percent) said they expected Social Security to be either a major source, or a minor source of their income when they retire. (Table 13)

The proportion who expect to receive Social Security is similar to that found in the 1979 survey. It is also similar to the proportion of the elderly who now receive benefits, and to the proportion of the elderly projected to receive benefits in the future, according to the Office of the Actuary of the Social Security Administration.

In both the 1979 and the 1991 surveys, the key difference between the working-age respondents and the elderly is in the proportion who expect Social Security to be a major source of income, or the "most important" source of income. In 1979, Social Security --

- was a major source of income for 75 percent of the retired, but was expected to be a major source by 60 percent of the nonretired; and

- was the "most important" source of income for 64 percent of the retired, but was expected to be the most important for just 37 percent of the nonretired.

By 1991, Social Security --

- was a major source for 68 percent of the elderly, but was expected to be a major source by 45 percent of the nonelderly; and

- was considered the "most important" source buy 54 percent of the elderly, but was expected to be the most important by just 27 percent of the nonelderly.

In both 1979 and 1991, younger Americans frequently expected that their employer-sponsored pensions from private or government employee plans, or their income from assets -- personal savings, investments, IRAs, Keogh plans, 401(k) or other thrift plans -- would be their most important source of retirement income. (Table 14)

Table 13

Expected Role of Social Security, 1979, 1991

Persons Under Age 65

Thinking about when you will be age 65 and the types of income you may have, please tell me whether you expect each of the following to be a major source of income, a minor source of income, or not a source of income when you retire. ***Social Security?***

Now looking ahead to when you will be 65, which source do you expect to be your most important source of income?

	1979 (Non-retired)	1991 (Under 65)
Number of respondents a/	1,115	1,017
Total percent	100	100
Social Security a source of income	91	93
Major source	60	45
Minor source	31	48
Social Security most important source	37	27

a/ 1979 data are those classified as "nonretired."

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979

Table 14

Expected Most Important Source of Retirement Income, 1979, 1991

Persons Under Age 65

Now looking ahead to when you will be 65, which source do you expect to be your most important source of income?

	1979 (Nonretired)	1991 (Under 65)
Number of respondents a/	1,115	1,017
Total percent	100	100
Social Security	37	27
Earnings ("part-time work or job")	7	6
Pensions b/	27	21
Private pension	20	15
Government employee pension	7	6
Asset income c/	24	40
"Personal savings or investments"	20	27
"IRA or Keogh plans"	4	5
"401(k) or other thrift plan"	d/	8
Other government programs, SSI, Food Stamps, etc.	2	2
Children, relatives or friends	--	1
Don't know, no response	3	3

a/ 1979 data are for those classified as "nonretired."
b/ Sum of responses for private pensions and government employee pensions.
c/ Sum of responses identifying one of the three types of asset income as the most important source.
d/ Not asked in 1979.

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979

As might be expected, higher income Americans are more likely to expect income from assets to be their more important source. (Table 15) As noted, asset income is an important source of income for higher income elderly today. While the importance of asset income in expected retirement income rises with income level of the working-age population, it declines with age. Those age 55-64 -- who are closest to retirement -- are least likely to expect income from assets to be their most important source and are the most likely to expect Social Security to be their most important source. The youngest group -- those 18 to 24 -- have the greatest expectations that savings over their work lives will yield their most important source of income in retirement.

Expectations that pensions will be the most important source of retirement income are lowest among the youngest group and the lowest income group. Otherwise, expectations of pensions vary little by age or income, with 20 to 29 percent saying they expect pensions (from private or government employment) to be their most important source of retirement income.

Projections of the future distribution of the income of the elderly were prepared for the 1991 Advisory Council on Social Security by Lewin/ICF based on the Projected Retirement Income Simulation Model (PRISM). Those projections provide a basis for comparison with the retirement income expectations reported by Americans under age 65 in the 1991 survey. The projections of income of the elderly are for the year 2018. At that time, the median age of the survey respondents under 65 (which was about 40 in 1991), would be about 67. The projections are based on current Social Security provisions and Federal laws affecting pensions and retirement savings instruments. The projections generally assume that observed levels of pension coverage among active workers and asset holdings of the elderly will continue.[3]

The projections indicate that more of the elderly will receive pensions, but otherwise show a great deal of stability in the relative roles of various sources of retirement income, with Social Security continuing to be the largest source of income for the majority of the elderly in 2018. (Table 16)

The survey shows that working age Americans today have much higher expectations of their own individual savings and expect a smaller role for Social Security than has been experienced by current retirees. Younger Americans' high expectations from their own savings and low expectations of the role of Social Security are quite different from the projected income of the elderly based on the PRISM simulations of the continuation of current trends.

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[3] See *Future Financial Resources of the Elderly: A View of Pensions, Savings, Social Security and Earnings in the 21st Century*, 1991 Advisory Council on Social Security, December 1991.

Table 16

Projected Income of the Elderly, 1988, 2018

	1988	2018
Percent of elderly receiving:		
Social Security	92	97
Earnings	19	19
Pensions	40	76
Asset income	73	81
Supplemental Security Income	9	3
Share of the Aggregate Income of the Elderly		
Social Security	41	39
Earnings	17	15
Pensions	17	25
Asset Income	24	19
Other	1	3
Percent of Elderly Receiving Half or More of Their Income from One of the Following Sources		
Social Security	62	58
Earnings	9	7
Pensions	7	9
Asset income	9	6
Supplemental Security Income	4	1

Source: Projections prepared for the 1991 Advisory Council on Social Security by Lewin/ICF, Inc. based on its Projected Retirement Income Simulation Model (PRISM). See *Future Financial Resources of the Elderly: A View of Pensions, Savings, Social Security and Earnings in the 21st Century*, 1991 Advisory Council on Social Security, Washington, D.C., December 1991

Expected Retirement Age

The U.S. retirement income system offers workers a variety of retirement ages. Social Security retirement benefits are first payable at age 62, with a 20 percent early retirement reduction in the benefit amount. Unreduced benefits are payable at age 65, and benefits claimed after age 65 are increased for each month retirement is delayed between age 65 and 70. The age at which full Social Security benefits are paid is scheduled to rise gradually after the turn of the century. For persons age 31 or younger in 1991, the age at which full benefits are paid (so called normal retirement age) will be 67. Early retirement benefits will still be available at age 62, but will be reduced by 30 percent then (instead of 20 percent today).

The employer sponsored pension system also offers a variety of retirement age options for pension covered workers. Most workers covered by private pension plans in medium and large firms are in plans that permit "normal retirement," (that is, with unreduced benefits) before age 65, if the worker has met specified length-of-service requirements. Almost all such private plans permit early retirement with reduced benefits, often to workers in their 50s, if length-of-service requirements are met. Federal, State and local government employee pension plans, too, often permit normal or early retirement pensions to be claimed before the ages at which Social Security retiremement benefits are paid.[4]

The range of ages at which Americans in 1991 expect to retire is very similar to what Americans reported in 1979. (Table 17) Most expect to retire between 60 and 69, just under 1 in 5 expect to retire in their 50s or even earlier, while about 1 in 6 expect to retire at age 70 or later. In both 1979 and 1991 expected retirement ages did not vary greatly among age groups.

In both 1979 and 1991 respondents were asked how appealing they find the idea of late retirement -- that is postponing retirement to age 70. The majority in both surveys did not find the idea appealing. (Table 18) In 1991, however, the majority of the youngest group -- 18 to 24 year olds -- find the idea either somewhat or very appealing, an increase over that found in 1979.

Comparing the two surveys suggests a possible increase in the appeal of late retirement, although slight differences in the way questions were asked may contribute to this apparent change. The proportions who had strong views about late retirement were similar in both surveys:

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[4] *Employee Benefits in Medium and Large Firms, 1989*, U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 2363, June 1990 and *Employee Benefits in State and Local Governments, 1987*, U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 2309 May 1988.

Table 17

Expected Retirement Age, 1991, 1979

1991 (all) At what age do you expect to stop working?

1979 (nonretired) Realistically speaking, at what age do you (or your spouse) expect to retire?

1979 (retired) At what age did you (or your spouse) retire?

	1979	1991
Number of respondents	1,549	1,231
Total percent	100	100
Under age 60	19	17
Under 50	4	4
50-54	5	4
55-59	9	9
60-64	29	24
65-69	36	33
70 or older	17	14
70-74	7	8
75 or older	1	6
Never retire (volunteered)	9	--
Don't know, no response	---	9

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979

Table 18

Appeal of Late Retirement, 1979, 1991

Persons Under Age 65

Some people consider postponing retirement until they reach age 70. How appealing do you find the idea of late retirement? . . .

	Total	18-24	25-44	45-65
1991				
Number of respondents under 65	1,023	170	535	305
Total percent	100	100	100	100
Very appealing	16	13	19	15
Somewhat appealing	29	51	27	21
Somewhat unappealing	16	9	17	17
Very unappealing	36	24	36	44
Don't know, no response	2	2	1	3
Appealing (very and somewhat)	45	64	45	36
Unappealing (somewhat and very)	52	34	54	61
1979				
Number of respondents under 65	1,218	212	562	439
Total percent	100	100	100	100
Very appealing	15	16	15	14
Quite appealing	15	22	14	11
Not very appealing	29	31	28	31
Very unappealing	33	25	35	38
Don't know, no response	7	6	8	6
Appealing (very and quite)	30	38	29	25
Not very appealing and very unappealing	63	57	63	69

Sources: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991: and 1979 survey conducted for the National Commission on Social Security by Peter D. Hart Research Associates, Inc., November 1979

- about 15-16 percent said late retirement was "very appealing" and
- about 33-36 percent found the idea "very unappealing."

Those with less strong views may indicate a trend toward more willingness to consider late retirement. More found the idea "somewhat appealing" in 1991 (29 percent) than found it "quite appealing" in 1979 (15 percent). And fewer found the idea "somewhat unappealing" in 1991 (16 percent) than found it "not very appealing" in 1979 (29 percent). In general, the 1991 results suggest that many have not ruled out the idea of postponing retirement until age 70, but the idea has strong appeal for only a minority of working age Americans today.

Social Security and Medicare Financing Options

In the 1991 survey, respondents were asked their views about various financing options for continuing Social Security and Medicare, if in the future, the programs did not have enough funds to pay promised benefits.

Social Security Options

Respondents were told that "the Social Security program is projected to have enough money to pay benefits for several decades to come," and then were asked whether they would approve or disapprove of six different financing options to continue the Social Security system, "if in the future it doesn't have enough money to pay the benefits promised." (Table 19) Each of the six financing options involved either raising taxes or lowering benefit outlays. The three tax increase options were to:

- "raise the Social Security tax workers pay on earnings," which was approved by 36 percent and disapproved by 62 percent;
- "raise the taxes retirees pay on their Social Security benefits," which was approved by 14 percent and disapproved by 84 percent; and
- "change the law so that all earnings over $53,000 are subject to Social Security taxes," which was approved by 77 percent and disapproved by 18 percent.

Of these, only the option that would affect exclusively upper income workers received a majority approval rating.

The three options for lowering benefit outlays were to:

- "raise the retirement age for receiving full Social Security benefits," which was approved by 19 percent and disapproved by 79 percent;

- "reduce Social Security benefits," which was approved by just 9 percent and disapproved by 90 percent; and

- "reduce benefits for people whose incomes are above a certain level," which was approved by 64 percent and disapproved by 32 percent.

In the benefit options, like the tax options, only the one that affected exclusively upper income beneficiaries received a majority approval rating.

Medicare Options

Respondents in 1991 were asked questions about Medicare financing similar to those about Social Security financing. They were asked whether, "in the future, if Medicare doesn't have enough money to pay for benefits promised" they would favor or oppose five options for either raising revenues or reducing Medicare outlays. (Table 20)

Two options involved raising taxes.[5] The two were to:

- "raise Social Security taxes that workers pay on their earnings," which was favored by 40 percent and opposed by 57 percent;

- "raise taxes retirees pay on their Social Security benefits so that it is treated more like other pensions," which was favored by 27 percent and opposed by 69 percent.

The three options for lowering Medicare outlays were to:

- "reduce services Medicare pays for," which was favored by 17 percent and opposed by 81 percent;

- "raise the share of health expenses that Medicare recipients have to pay themselves," which was favored by 24 percent and opposed by 72 percent; and

- "make higher income people pay more for their Medicare premium," which was approved by 50 percent and opposed by 47 percent.

As was the case for the Social Security financing options, the most acceptable Medicare financing option would affect only upper income persons (in this case Medicare beneficiaries).

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[5] An option to lift the cap on earnings subject to Medicare taxes -- similar to the one asked about Social Security taxes -- was not included because that cap was raised, effective in 1991, to $125,000.

Table 19

Social Security Financing Options, 1991

As you may know, the Social Security program is projected to have enough money to pay benefits for several decades to come. If in the future, however, the Social Security program doesn't have enough money to pay for the benefits promised, we'd like your opinion on the following options to continue the Social Security system. Please tell me whether you strongly approve, somewhat approve, somewhat disapprove or strongly disapprove of each of the following options as a means of continuing the Social Security system.

	Total Approve (percent)	Total Disapprove (percent)	No Opinion (percent)
Raise the Social Security taxes workers pay on earnings	36	62	2
Raise the taxes retirees pay on their Social Security benefits	14	84	2
Change the law so that all earnings over $53,400 are subject to Social Security taxes	77	18	5
Raise the retirement age for receiving full Social Security benefits	19	79	2
Reduce Social Security benefits	9	90	1
Reduce benefits for people whose incomes are above a certain level	64	32	4

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Table 20

Medicare Financing Options, 1991

Thinking about the Medicare program for a moment. . . . In the future, if Medicare doesn't have enough money to pay for the benefits promised, do you strongly favor, somewhat favor, somewhat oppose or strongly oppose each of the following options as a way of enabling the system to continue paying benefits?

	Total Favor	Total Oppose	No Opinion
Raise the Social Security taxes that workers pay on earnings	40	57	3
Reduce services that Medicare pays for	17	81	2
Raise the taxes retirees pay on their Social Security benefits so that it is treated more like other pensions	27	69	4
Make higher income elderly people pay more for their Medicare premium	50	47	3
Raise the share of health expenses that Medicare recipients have to pay themselves	24	72	4

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

When household income is taken into account, the three options that affected primarily upper income groups received majority, or near majority, approval ratings by all income groups. (Table 21) Approval ratings for lifting the cap on earnings subject to Social Security taxes ranged from 79 percent for the lowest income groups (less than $20,000) to 58 percent for the highest income group ($75,000 or more). Approval ratings for reducing Social Security benefits for upper income beneficiaries varied little by household income level of all respondents. Support for making higher income people pay more for their Medicare premium increased with the income of respondents from 46 percent of the lowest income group to 62 percent of the highest income group.

Of Social Security and Medicare financing options other than the three that specifically affected only upper income groups, "raising Social Security taxes workers pay" was less objectionable than other tax-increase or benefit-reduction options, although it was opposed by a majority for financing either Social Security (62 percent) or Medicare (57 percent).

The option of raising taxes on retirees' Social Security benefits was opposed by a large majority. It, however, was opposed somewhat less for financing Medicare -- when it was described as a way to treat Social Security benefits "more like other pensions" (69 percent) than for financing Social Security, when it was not described in that way (89 percent). This option, which is sometimes characterized as one that would affect primarily upper income beneficiaries, and as akin to paying lower net benefits to those with incomes above a certain level, was apparently not viewed that way by survey respondents.

Table 21

Views on Social Security and Medicare Financing Options by Household Income, 1991

	Total	Household Income Under $20,000	$20,000-$39,999	40,000-$74,999	$75,000 or more
Social Security Options (percent approve)					
Earnings over $53,400 subject to tax	77	79	82	78	58
Reduce benefits for people with incomes above a certain level	64	62	66	70	64
Raise Social Security taxes workers pay on earnings	36	42	33	31	29
Raise taxes retirees pay on their Social Security	14	16	14	11	20
Raise the retirement age for full Social Security benefits	19	23	15	13	33
Reduce Social Security benefits	9	8	9	10	16
Medicare Financing Options (percent favor)					
Make higher income elderly people pay more for Medicare premiums	50	46	50	55	62
Raise the Social Security taxes workers pay on earnings	40	43	40	42	34
Raise the taxes retirees pay on their Social Security so that it is treated more like other pensions	27	29	24	25	38
Reduce services that Medicare pays for	17	15	20	18	18
Raise the share of health expenses that Medicare recipients have to pay themselves	24	19	23	26	39

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Continuing Social Security As Is

After reporting their views about the Social Security financing options discussed above, respondents were asked whether they agree or disagree with the following statement: "The Social Security program should be continued pretty much as it is." (Table 22) The majority (58 percent) of respondents agreed that the program should be continued "pretty much as is," while 39 percent disagreed. Those who disagreed, were asked the follow up question, "should the Social Security program be abolished, replaced with something else, or modified?" The vast majority of those who disagreed that the program should be continued as is said it should be modified (34 percent of the 39 percent), while 2 percent said it should be abolished and 2 percent said it should be replaced.

Those who said the program should be modified were then asked to volunteer their ideas about "how should the Social Security program be modified?" The verbatim responses to this open-ended question are not readily classified into discrete categories. A flavor of the responses follows.

Respondents sometimes indicated concern about the future, but uncertainty about what should be done. For example: "I'm not sure. It's been working, but not that good. I've heard about running out of money. About not having the money to pay the baby boomers when they retire." "Some way to insure sufficient funds to get basic needs to people in the future. Whatever it takes. I am not sure."

Many who did offer ideas reflected themes covered earlier in the interview. For example, they wanted Social Security to provide for "basic necessities" for those who need it, and/or wanted upper income persons to pay more, or receive less. Some reiterated Social Security financing options mentioned earlier with regard to the $53,400 limit on taxable earnings: "Should be no upper limit where Social Security is taken," or "Make everyone pay on every penny they earn instead of putting a cap on it for higher income people."

Other reiterated the option that upper income beneficiaries should receive less so that those with lower income can receive more: "feel that wealthy should not be entitled to full Social Security benefits so that unwealthy would be entitled to more . . ." Others, however, emphasized that benefits should be directly related to contributions. "a person's benefits should reflect their total payments into the system."

Those concerned that benefits were not enough to live on often cited experience of their parents or grandparents: "My mom has enough to pay rent and light bill, but not enough to eat." "My parents cannot survive on Social Security. They shouldn't have to look for other jobs." "...my mother and my sister ... don't have enough to live on and it is just not adequate. Both worked and paid in for years and just can't make it on that alone. There are entirely too many medical expenses that have to come out of my 87-year-old mother's pocket."

Table 22

Views on Continuing Social Security As Is, 1991

Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statement: The Social Security program should be continued pretty much as it is.

If disagree: Should the Social Security program be abolished, replaced with something else, or modified?

Number of respondents	1,231
Total percent	100
Total agree -- should be continued pretty much as is	58
Strongly	23
Somewhat	36
Total disagree	39
Somewhat	20
Strongly	19
No opinion	2
Total disagree	39
Should be abolished	2
Should be replaced	2
Should be modified	34

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Others, on the other hand, emphasized that Social Security should only be a supplement to other retirement income. "(modify it) so that it acts as it was originally intended as a supplement to our retirement benefits and not as a sole income."

Others mentioned issues not covered earlier in the interview, such as the way funds are invested, or concerns that they are used for purposes other than Social Security: "If it was invested individually in a mutual fund or certificate of deposit, it would create a lot more for investment." "Go back to the original way it was set up...the money put in was to be left alone and not used for other purposes....Money is applied to other areas in government instead of using it for Social Security." "Prohibit borrowing form the fund to finance other government agencies." "They should not be spending it to reduce the deficit."

Some respondents mentioned concerns about the disability benefit program -- and those concerns were mixed. Some said that eligibility criteria were too strict. Others they said they thought people were getting disability who should be working.

A few mentioned the retirement earnings test, a topic that would be covered later in the interview. "Think people should be allowed to work and still have Social Security."

In summary, while some respondents expressed particular concerns about Social Security, or ideas for changing it, the majority of all respondents (58 percent) agreed that it would be continued "pretty much as is" and very few said it should be abolished or replaced (4 percent).

Administrative Costs

The 1991 survey sought to elicit respondents' views of the administrative efficiency of the Social Security and Medicare programs. Respondents were asked what they thought was the relationship between benefit payments and taxes collected for Social Security and Medicare, respectively. "What percentage of the Social Security (Medicare) tax dollars collected do you think goes to paying benefits as opposed to administrative or other expenses?"

Many Americans said they believed that less than half of all the money collected goes for benefits. (Table 23) In all age, education, and income groups the majority of respondents who had an opinion thought that only 25 to 75 percent of the money collected is used to pay benefits as opposed to administrative or other expenses of the Social Security of Medicare programs.

Table 23

Perception of Relationship of Benefit Payments to Taxes Collected, 1991

What percentage of the Social Security tax dollars collected do you think goes to paying benefits as opposed to administrative or other expenses?

What percentage of the Medicare tax dollars collected do you think goes to paying benefits as opposed to administrative or other expenses?

	Social Security	Medicare
Number of respondents	1,231	1,231
Total percent	100	100
Less than 25 percent	14	13
25 - 45 percent	31	27
45 - 75 percent	30	35
75 - 95 percent	8	8
95 - 100 percent	1	1
Don't know	17	16

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Table 24

Income and Expenditures of Social Security and Medicare Trust Funds, 1991

	Social Security	Medicare		
		Total Medicare	Part A (HI)	Part B (SMI)
	(in billions of dollars)			
Income to Trust Fund -- total	$330.1	$140.0	$89.5	50.5
Taxes and premiums -- total	308.2	128.9	79.8	49.1
OASDHI taxes	302.9	78.4	78.4	---
Taxation of benefits	5.3	---	---	---
General revenues	---	38.3	1.0	37.3
Premiums paid by persons enrolled in Medicare	---	12.2	0.4	11.8
Net interest earned by Trust Funds	21.9	10.8	9.5	1.3
Expenditures from Trust Funds -- total	273.4	121.5	72.7	48.8
Benefit payments	270.8	118.9	71.6	47.3
Administrative costs	2.6	2.7	1.1	1.6
Net increase in Trust Fund	56.7	18.5	16.8	1.7
	(percent)			
Benefit payments as a percent of:				
Total trust fund expenditures	**99%**	**98%**	**98%**	**97%**
Total taxes and premiums collected	**88%**	**92%**	**90%**	**96%**
Administrative costs as a percent of:				
Total trust fund expenditures	**1.0%**	**2.2%**	**1.5%**	**3.3%**
Total taxes and premiums collected	**0.8%**	**2.1%**	**1.4%**	**3.3%**

1991 Annual Reports of the Boards of Trustees of the Federal Old-Age, Survivors and Disability Insurance Trust Fund, the Federal Hospital Insurance (HI) Trust Fund, and the Federal Supplementary Medical Insurance (SMI) Trust Fund, intermediate assumptions.

That perception is very different from the actual operations of the Social Security and Medicare programs, as shown in Table 24. Benefit payments represent about 99 percent of all expenditures out of the Social Security trust funds in 1991, and Medicare benefits were about 98 percent of total Medicare expenditures.

When benefit payments are related to total income collected in taxes and Medicare premiums, the share paid in benefits is somewhat smaller (88 percent for Social Security and 90 percent for the Hospital Insurance component of Medicare) because those two funds were building reserves in 1991. Those reserves are invested in U.S. Treasury securities and earn interest, which is another source of income to the trust funds.

In contrast to benefit payments, administrative costs are a small part of trust fund expenditures or of trust fund income collected in taxes or Medicare premiums. Administrative costs represent 1 percent of expenditures from the Social Security trust funds, 1.5 percent of Hospital Insurance expenditures, and 3.3 percent of Supplementary Medical Insurance expenditures.

The survey finding that many Americans believe that far less in paid out in benefits than is collected in taxes suggests that many are unaware of the low rate of administrative costs and of the high relationship of benefit payments to income collected in both the Social Security and Medicare programs.

Experience with SSA Services

In recent years, the Social Security Administration (SSA) has offered a toll-free 800 telephone number for people to call to transact routine business with SSA or to ask questions, get referral or make appointments for services that require personal contact. Before the 800 number was introduced, almost all business with SSA was conducted directly with local Social Security office, either in person or by telephone.

In 1991, 29 percent of all respondents said they were familiar with the 800 number service. (Table 25) Fewer (16 percent) said they had actually used it themselves over the past 5 years. Others familiar with the service may have learned about it from relatives, friends or from newspapers, magazines, radio or TV. When those familiar with the service were asked to rate the quality of this service a scale of 1 to 10 (where 10 meant excellent service and 1 meant very poor service) about 1 in 5 said they were unable to rate the service. The average score of those who did rate the service was 7.2. The median score was 8.2 (meaning that half would be above this level and half below it).

Table 25

Experience with and Rating of Services of the Social Security Administration, 1991

Are you familiar with . . .

-- the toll-free 800 number operated by the Social Security Administration?
-- your local Social Security office?

(If familiar with) On a scale of 1 - 10, with "10" meaning excellent service and "1" meaning very poor service, please rate the quality of the Social Security Administrations' service . . .

-- in administering the toll-free 800 information number.
-- at your local Social Security office.

In the past 5 years have you ever . . .

-- used the toll-free information number?
-- been to your local Social Security office?

	800 Number	Local Office
Number of respondents	1,231	1,231
Total percent	100	100
Used service in past 5 years	16	35
No	83	64
Total percent	100	100
Familiar with service	29	52
Not familiar	52	48
Number of respondents rating quality of service	262	567
Average rating (10 = excellent, 1 = very poor)	7.2	7.2
Median rating (10 = excellent, 1 = very poor)	8.2	8.2

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Americans were more familiar with the local Social Security office. A slight majority (52 percent) said they were familiar with the local office; about a third (35 percent) said they had used it themselves over the past 5 years. While about 1 in 10 of those familiar with the office said they were unable to rate the quality of service, the average rating given by the rest was 7.2 on a scale of 1 (very poor) to 10 (excellent). The median score was 8.2. While more people rated the local office than rated the toll-free 800 number, the average and median scores on quality of service were the same for both methods of service and, in both cases, were much closer to "excellent" than to "very poor."

Other Social Security Options

Earlier in the questionnaire, respondents were asked about Social Security financing options, all of which involved either raising taxes or lowering benefit outlays. Near the end of the questionnaire they were asked about Social Security options that would increase benefit outlays. Those options included: eliminating the Social Security retirement earnings test for workers age 65-69, changing Social Security to keep the very old from becoming poor; and increasing benefits for women or widows and widowers.

The Retirement Earnings Test

When asked whether the Social Security retirement earnings test for persons age 65-69 program should be continued or eliminated, a majority (55 percent) said it should "definitely" or "probably" should be eliminated, while 42 percent said it should "definitely" or "probably be continued. (Table 26) The elderly were less likely than those under 65 to say the test should be eliminated (43 percent compared to 57 percent. When those who believed the test should be eliminated were told it would cost the Social Security trust funds $26 billion in the first 5 years, the proportion of all respondents favoring eliminating the test dropped to 29 percent (30 percent of those under age 65 and 21 percent of the elderly).

Of those under age 65, about 26 percent said they, or someone they knew, had reduced their earnings because of the retirement earnings test. (Table 27) Among those 65 and older, 12 percent said they, themselves, had stopped working or limited their earnings because of the earnings test rule, while 80 percent said they had not. When asked if they would return to work or earn more if the test were eliminated, 20 percent of the elderly said they would work or earn more, while 72 percent said they would not.

Table 26

Views on the Retirement Earnings Test, 1991

Under a Social Security rule, workers over the age of 70 receive the entire Social Security benefit due them regardless of how much money they earn from work. For a worker age 65-69, however, benefits are reduced by $1 for each $3 earned over $9,720 per year.

Do you think that this rule should: definitely be continued, probably be continued, probably be eliminated, or definitely be eliminated?

(If believe it should be eliminated) If this rule were eliminated, it is estimated that it would cost the Social Security trust funds $26 billion in the first five years. Knowing this, do you believe the rule should be continued or eliminated?

	Total	Under Age 65	65 and Older
Number of respondents	1,231	1,017	214
Total percent	100	100	100
Retirement earnings test rule should --			
Definitely be continued	14	12	24
Probably be continued	28	29	24
Probably be eliminated	25	27	16
Definitely be eliminated	29	30	27
Don't know, no response	4	2	9
Continued -- total	42	41	48
Eliminated -- total	55	57	43
Knowing that it would cost $26 billion over 5 years if it were eliminated, should it be --			
Continued	21	22	14
Eliminated	29	30	21
Don't know, no response	5	4	9

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Table 27

Views on the Effect of the Retirement Earnings Test on Work, 1991

(If under age 65) Have your, or has anyone you know, reduced earnings from work because of this rule?

(If 65 or older and not working) Have you stopped working or limited your earnings, because of this rule? If this rule were eliminated, would you return to work or earn more than $9,270 per year?

(If 65 or older and working) Have you reduced your income from work because of this rule? If the rule were eliminated, would you increase your earnings form working?

	Under age 65
Number of respondents	1,017
Total percent	100
Have you, or has anyone you know, reduced earnings from work because of this rule?	
Yes	26
No	69
Don't know	5

	Age 65 and Older
Number of respondent	214
Total percent	100
Have you stopped working or limited (reduced) earnings because of this rule?	
Stopped working	7
Limited (reduced) earnings	5
Neither	80
Don't know, no response	8
If the rule were eliminated, would you return to work or earn more?	
Return to work	10
Earn more	10
No	72
Don't know, no response	7

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

The Very Old

Americans overwhelmingly agreed with the statement " Americans who are over age 85 and living alone are more likely to be poor than are younger American," with 81 percent agreeing, either "strongly" or "somewhat." (Table 28) Fully 92 percent agreed that something should be done to prevent very old Americans from becoming poor. About 3 in 4 (72 percent) agreed that "the Social Security system should be changed regardless of the cost, to prevent very old Americans from becoming poor, while 81 percent agreed with the alternative statement that "programs specifically designed to aid the poor, not Social Security, should be used to prevent very old Americans from becoming poor. The agreement with both statements suggests that respondents were more concerned about preventing poverty among the very old than about which method was used to so. There were no important differences in responses to this series of questions by age, income or education levels of the respondents.

Women and Widows and Widowers

When asked if women who, in the past, have taken time out of the work force to care for young children or disabled family members and earned less income as a result should have their benefits raised to take that time into account, about two thirds of respondents said they should. (Table 29) Similar proportions said that benefits for the survivor of an elderly couple should be raised, if necessary, in order to allow the survivor to receive two thirds of the couple's prior combined benefit. When asked if they would approve the increase in survivors benefits if it cost $2.6 billion over 5 years, 61 percent said they would still approve it.

Table 28

Views on Poverty Among the Elderly, 1991

Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

	Total Agree	Total Disagree	Other
Americans who are over age 85 and living alone are more likely to be poor than are younger Americans	81	17	2
Something should be done to prevent very old Americans from becoming poor	92	6	2
The Social Security system should be changed, regardless of the cost, to prevent very old Americans form becoming poor	72	24	4
Programs specifically designed to aid the poor, not Social Security, should be used to prevent very old Americans from becoming poor	81	14	4

Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

Table 29

Views on Raising Benefits for Women or Widows and Widowers, 1991

	All Respondents
Number of respondents	1,231
Total percent	100
In the past, women who have taken time out of the workforce to care for young children or disabled family members have earned less income than they would have if they had stayed in the workforce. As a result, their Social Security benefits are lower. Should these women have their Social Security benefits raised to take this time into account?	
Yes	65
No	31
Don't know, no response	5
In general, in cases in which each member of an elderly couple receives a Social Security benefit and one member of that couple dies, the surviving member will receive only the higher of the two benefits the couple had received. Some have tried to make the case that the survivor should be allowed to keep two-thirds of the couple's combined benefit, if that would result in a higher Social Security benefit. Do you believe that such a change should be made in the Social Security system?	
Yes	69
No	28
Don't know, no response	3
(If yes on above question) If you found that this is estimated to cost $2.6 billion over five years, do you believe that the Social Security system should be changed to allow the widow or widower to keep two-thirds of the couple's combined benefits, if that would result in a higher benefit?	
Yes	61
No	6
Don't know, no response	1

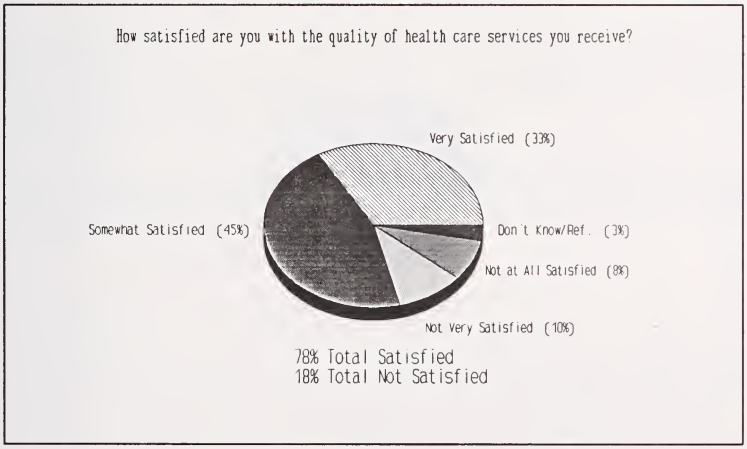
Source: Survey conducted for the 1991 Advisory Council on Social Security by American Viewpoint, Inc., October, 1991

THE HEALTH CARE SURVEY

Americans are satisfied with both the quality of health services they receive and with their health insurance coverage. Nearly eight out of 10 Americans (79%) say they are satisfied with the quality of their health services, and nearly as many (77%), express satisfaction with their health insurance coverage.

Experience and Perceptions

In all, 33% are very satisfied and 45% are somewhat satisfied while only 10% are somewhat dissatisfied and 8% are not at all satisfied with the quality of the health services they receive. There is almost no variance by geography but women are more satisfied than men and satisfaction increases with income and education. Regarding age cohorts, only those ag 55-64 fall below a satisfaction level of 70% (69%). A majority of only one subgroup, those who are dissatisfied with their health insurance, expresses dissatisfaction with the quality of their health services. Even those who believe changes should be made to our health system express a high level of satisfaction (65%) with their health services. However, lack of satisfaction with the services covered by individuals' plans contributes to complaints about quality.


How satisfied are you with the quality of health care services you receive?
Very Satisfied (33%)
Somewhat Satisfied (45%)
Don't Know/Ref. (3%)
Not at All Satisfied (8%)
Not Very Satisfied (10%)
78% Total Satisfied
18% Total Not Satisfied

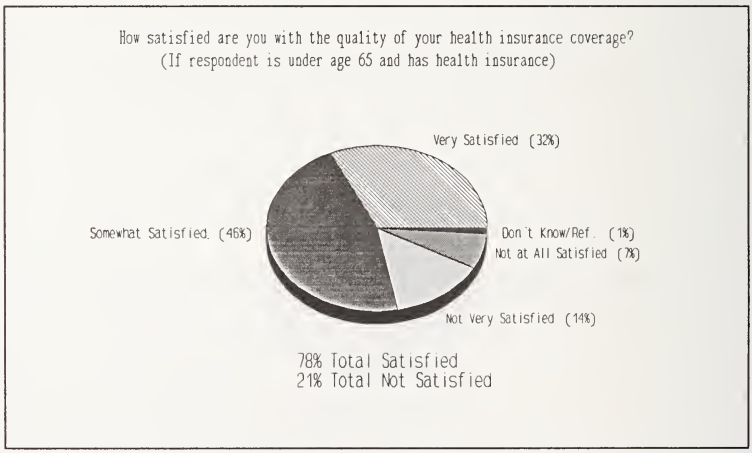
Satisfaction with Health Insurance Coverage

The intensity of satisfaction among those who have private health insurance is as follows: 32% very satisfied, 46% somewhat satisfied, 14% somewhat dissatisfied, and 7% not at all satisfied.

By age, satisfaction is highest with those age 18-24 (84%) followed by those age 25-54 (78%), and age 55-64 (71%). Men and women are equally satisfied with their insurance coverage. Age and sex differences, however, are not significant. By and large, satisfaction increases with income as those earning less than $45,000 are significantly less likely to be satisfied than higher income respondents. Satisfaction levels are the same with those who are employed (78%) and those who are not (77%). White respondents (77%) are slightly more satisfied than Blacks (72%).

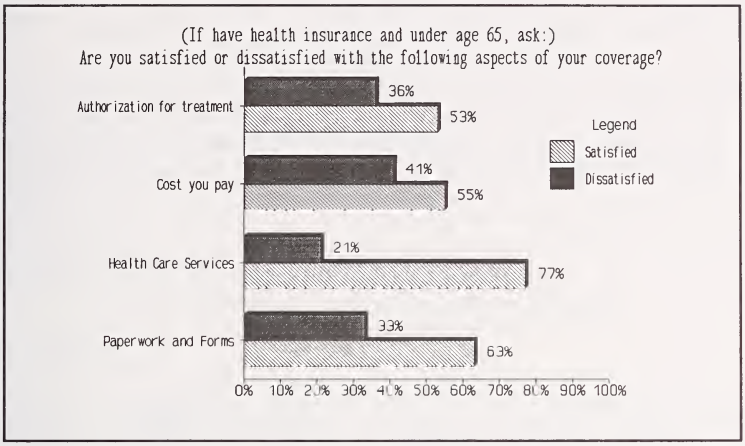
Satisfaction levels are lower (although still majorities) with those who say major changes are needed in the health system (60%), those who do not receive employer sponsored health benefits (60%), and those who are not confident that they have adequate health insurance in case of a major medical expense (56%).

Regression analysis indicates that the most important contributors to satisfaction with health insurance coverage are satisfaction with the following items: quality of health care, covered health services, and costs paid by individuals.


How satisfied are you with the quality of your health insurance coverage?
(If respondent is under age 65 and has health insurance)
Very Satisfied (32%)
Somewhat Satisfied. (46%)
Don't Know/Ref. (1%)
Not at All Satisfied (7%)
Not Very Satisfied (14%)
78% Total Satisfied
21% Total Not Satisfied

Satisfaction with Aspects of Health Insurance Coverage

Those with private health insurance were asked about their satisfaction level with various aspects of their health insurance coverage. The following chart indicates their overall satisfaction levels.



Paperwork and Forms

By a 63-32 percent margin, respondents say they are satisfied with the paperwork and forms they have to fill out or have to get their doctor to fill out. Satisfaction is somewhat lower among those age 55-64 (58%), Blacks (51%), and those who think changes in the system are necessary (53%).

Most dissatisfied are those who are not satisfied with their health care services (39%) or their health insurance coverage (37%), or who are not confident in the adequacy of their insurance coverage (41%).

Covered Health Services

There is a high level of satisfaction with the health services covered by their plans (78-21 percent). In all 35% are very satisfied while only 8% are very dissatisfied. Those age 25-44 are the most satisfied of any age cohort (80%). In general, those with lower education levels are more satisfied than those with higher levels of education but satisfaction increases with income. Those earning more than $45,000 are significantly more likely to be satisfied than those earning less.

People with children under age 12 (83%) are more satisfied than those without children (74%). Whites (79%) are more satisfied than Blacks (67%). Again, people who are dissatisfied with either the quality of health services (47%) or their health insurance (43%) have lower levels of satisfaction with this aspect of their coverage.

Satisfaction with Covered Health Services
By Education and Income

	Satisfied	Not Satisfied
Less than HS	81%	17%
HS Grad/VOC	81	19
Some College	73	24
College +	78	21
Less than $20,000	66	32
$20-40,000	75	24
$40-75,000	83	16
$75,000 or more	83	14

Costs You Have to Pay Yourself

Although a majority are also satisfied with the costs they have to pay themselves, satisfaction levels are lower than with other aspects of health insurance coverage. In this case, 55% are satisfied (31% very, 24% somewhat) and 41% are dissatisfied (21% very, 20% somewhat).

Again, there are no differences by gender and those age 25-44 are the most satisfied of any age group (58%) and those age 55-64 (49%) are the least satisfied. Satisfaction is relatively stable by education although college graduates are the most satisfied (58%). A majority of those earning less than $20,000 are dissatisfied (52%) while majorities of other cohorts are satisfied. White respondents (56%) are much more satisfied than Black respondents (44%). A majority of those who think changes should be made to the system are dissatisfied with the costs they have to pay themselves (54%) as are those who believe the government should pay all or most of the health care costs for all Americans (54%). Further, a majority of those whose insurance is self-purchased are dissatisfied (57%).

Treatment Authorization

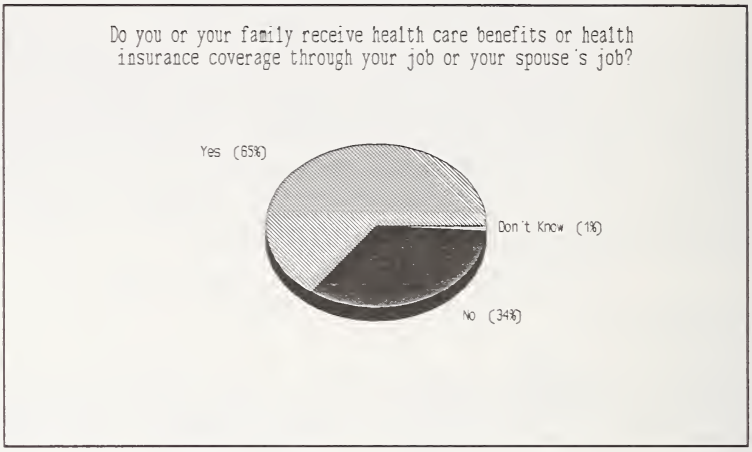
Again, a majority are satisfied with this aspect of their insurance coverage (53%). In all, 22% are very satisfied, 31% are somewhat satisfied, 18% are somewhat dissatisfied and 18% are very dissatisfied. By age, those age 55-64 (49%) are the least satisfied.

There is no difference by education, but those earning less than $20,000 are less satisfied with the treatment authorization process (48%). Those with young children (58%) are more satisfied than those without children (50%). Whites (53%) are much more satisfied than Blacks (36%).

Least satisfied are respondents who believe major changes in the system are necessary (42%); those who are dissatisfied with their health care services (34%) or health insurance coverage (30%); are not confident in the adequacy of their health coverage (32%); who rely on a network of doctors (45%), and those who believe that the government should pay all or most of Americans' health costs (45%).

Employer-Provided Health Insurance

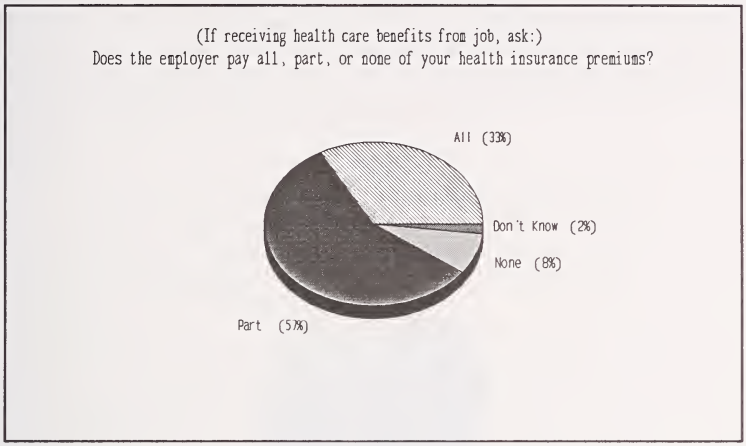
65% of all respondents say their, or their families, receive health care benefits or health insurance coverage through their jobs.


Do you or your family receive health care benefits or health insurance coverage through your job or your spouse's job?
Yes (65%)
Don't Know (1%)
No (34%)

Employer benefit/coverage increases with age until age 55, and then drops off sharply. It also increases with education and income. Those earning more than $45,000 are significantly more likely to have employer-provided health benefits than respondents earning less than that amount. Those who are employed full-time have far more likelihood of coverage than those who work part-time. Still a majority of this group has employer-provided benefits or coverage. Those who are not satisfied with the quality of their health care services (53%), and those who are not confident in the adequacy of their health insurance (48%) are much less likely to have employer-provided benefits.

Employer Payment of Health Insurance Premiums

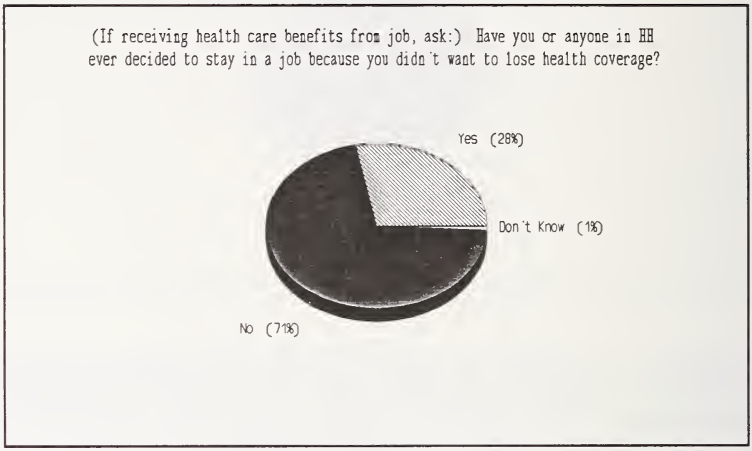
Among those who have employer-provided benefits, 33% say their employer pays all of their premiums, 57% part, and 8% none.


(If receiving health care benefits from job, ask:)
Does the employer pay all, part, or none of your health insurance premiums?
All (33%)
Don't Know (2%)
None (8%)
Part (57%)

Older and higher-income respondents are more likely than others to report that all of their premiums are paid by the employer. Those who say the system meets their needs are more likely to have full premium benefits (38%) than those who say changes are necessary (27%). Further, those who are satisfied with their health services and health insurance are more likely to have full premium benefits than those who are dissatisfied. Likewise, those who are not confident in the adequacy of their insurance are less likely to have full premium benefits (21%) than those who are confident (37%). Those who say the government is not responsible for paying for the costs of health care are more likely to have full premium benefits (45%) than those who say the government has some responsibility (32%).

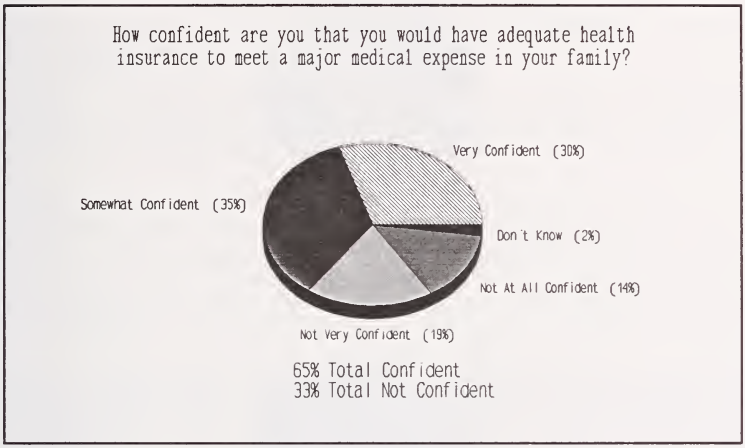
Health Insurance As A Reason To Stay In A Job

Of those who have employer-provided health insurance, nearly one-third (28%) say that they or someone in their household have (at some point) decided to stay in a job they wanted to leave mainly because they didn't want to lose health coverage. The following subgroups are more likely: Female 18-44 (35%), age 18-24 (36%), earn less than $20,000 (34%), employed part-time (33%), Blacks (40%), think changes in the system are necessary (36%), not satisfied with health care services or insurance (34%), not confident in the adequacy of insurance (44%), and those who think the government should pay all or most of the health care costs of all Americans (33%).


(If receiving health care benefits from job, ask:) Have you or anyone in HH ever decided to stay in a job because you didn't want to lose health coverage?
Yes (28%)
Don't Know (1%)
No (71%)

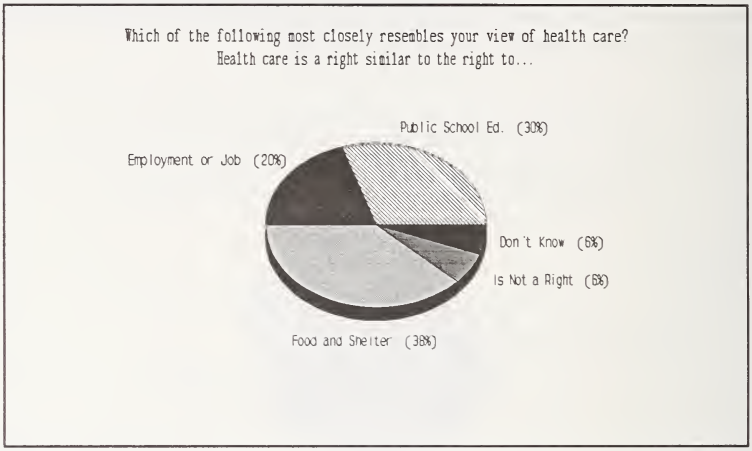
Adequacy Of Insurance

A majority of Americans (65%) are confident that they have adequate health insurance to meet the cost of a major medical expense while 33% are not confident (19% not very confident, 14% not at all confident). Higher "Not Confident" scores are seen among: those who have less than a high school education (51%); who earn less than $20,000 (47%); part-time workers (40%); Divorced/Separated (51%); those of other races (42%); who say changes are necessary (51%); who are not satisfied with their health care services (63%) or their health insurance (49%); Medicare recipients (39%), those who are not confident that Medicare will continue (55%), and those with no health insurance (79%).


How confident are you that you would have adequate health insurance to meet a major medical expense in your family?
Very Confident (30%)
Somewhat Confident (35%)
Don't Know (2%)
Not At All Confident (14%)
Not Very Confident (19%)
65% Total Confident
33% Total Not Confident

Perception That Health Care Is A Right

In an attempt to examine the extent to which Americans believe health care is a right, and which type of right it is similar to, respondents were asked the following question. "Some people believe that all Americans have a right to health care. There are many different types of rights. Which of the following most closely resembles your view of health care? Health care is right similar to:


Which of the following most closely resembles your view of health care?
Health care is a right similar to the right to...
Public School Ed. (30%)
Employment or Job (20%)
Don't Know (6%)
Is Not a Right (6%)
Food and Shelter (38%)

As in other surveys, 90% of the public believes that health care is a right of come kind. But there is a great deal of variance in the kind of right associated with health care. Further, this variable is not a good indicator of responses to other questions.

The Right To A Public School Education (30%)

Belief that health care is similar to public school education is higher with: age 25-44 (35%), college graduates (40%), part-time workers (37%), those who would enroll in Medicare Choice (35%), those who think the government should pay some of the costs of health care for all Americans (34%), and those with no health insurance (34%).

The Right To Employment Or A Job (20%)

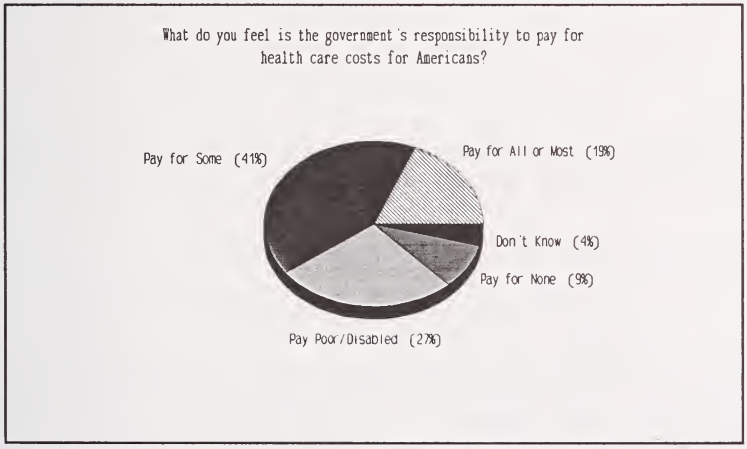
This belief is higher with: age 18-24 (26%); 45-54 (28%); less than college (24%); think minor changes necessary (26%), and those who are confident that Medicare will pay benefits when they retire (26%).

The Right To Food And Shelter (38%)

This belief is higher with: age 18-24 (44%); less than high school (47%); some college (42%); Blacks (47%); those who think major changes are necessary (43%); those who are not satisfied with their health insurance (43%); who think the government has the responsibility to pay all or most of the health care costs for all Americans (43%), and those who are not confident that Medicare will continue to pay benefits (43%).

Government Responsibility For Health Care

Another question was asked to determine the extent to which people believe that the government has the responsibility to pay for the costs of health care for Americans.


What do you feel is the government's responsibility to pay for health care costs for Americans?
Pay for Some (41%)
Pay for All or Most (19%)
Don't Know (4%)
Pay for None (9%)
Pay Poor/Disabled (27%)

Pay Some Costs For All

A plurality (41%) believe that the government has the responsibility to pay for *some* of the health care costs for all Americans. This belief is more prevalent among the following groups: Men age 65+ (49%); Women 18-44 (48%); some college (45%); part-time workers (46%); single respondents (52%); other races (49%); those who have stayed in a job so that they wouldn't lose health insurance (45%); who think health care is similar to the right to a public school education (46%), and who have an HMO (50%).

Pay For The Poor Or The Disabled

The second highest percentage (27%) believe that the government has the responsibility to pay for health care costs only for certain groups such as the poor or the disabled. This opinion is higher with: age 45-54 (37%); 55-64 (31%); less than high school (34%); earn $75,000 and over (32%); those who are satisfied with their health insurance (31%); who say health care is similar to employment (31%), and those who are confident that Medicare will pay benefits when they retire (31%).

Pay All Or Most Costs For All Americans

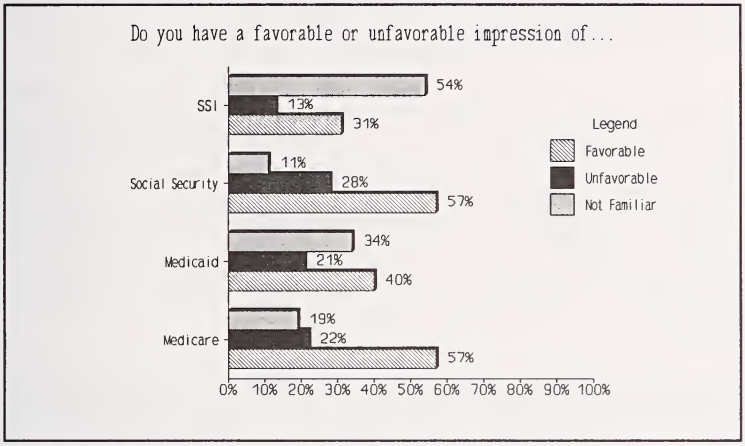
This view is held by 19%. Those more likely to hold this view include: Women age 65+ (23%); less than college (24%); divorced/separated (23%); other races (24%); changes in the system are necessary (25%); not satisfied with health care (30%); those who have stayed in a job for health insurance (23%); those who are not confident in the adequacy of their health insurance (23%), and those with no health insurance (24%). Analysis of variance (ANOVA) indicates that this group is less affluent, less satisfied and confident in their health care coverage, more likely to believe that major changes are needed, and more willing to pay to cover the uninsured.

Government Doesn't Have The Responsibility To Pay

This view, held by 9% of the population, is more prevalent with: college graduates (13%); those earning more than $40,000 (13%); those who say health care is not a right (37%), and those who are confident that Medicare will continue to pay benefits (13%). ANOVAs confirm that this group is significantly: more affluent; more likely to agree that changes in the system will cost everyone more money; more satisfied with their health care and health insurance coverage; more confident in the adequacy of their health insurance; more likely to say the system meets their needs, and less likely to be willing to pay to cover the uninsured.

Perceptions of the Programs

As the following chart indicates, Americans have favorable perceptions of Medicare, and Social Security. They are somewhat less favorable toward Medicaid and SSI, but are less familiar with those programs. Those with the most favorable perceptions of the programs are women, older, and lower-income respondents.



Medicare

In all, 81% are familiar with the Medicare program; 57% are favorable and 22% are unfavorable. Favorable perceptions are stronger than a high school education are much more favorable (68%) than other education groups. Blacks (64%) are more favorable than Whites (56%) or other races (58%). Those who are satisfied with their health care services (61%), are confident in the adequacy of their insurance (61%), are confident that Medicare will pay benefits (62%), and who receive Social Security benefits (74%) are also more favorable toward Medicare.

Unfavorable perceptions are higher with: age 25-44 (29%); Divorced/Separated (27%); system needs major changes (30%); not satisfied with health care (34%) or health insurance (37%); have stayed in job to preserve health benefits (31%); are not confident in adequacy of insurance (26%); think the government should pay all or most of Americans' health costs (26%), and are not confident that Medicare will pay retirement benefits (29%) or continue to pay benefits (32%).

Medicaid

Nearly as many are not familiar or have no opinion about Medicaid (38%) as are favorable toward the program (40%). One in five respondents (21%) is unfavorable toward the program. Favorable perceptions are somewhat higher: with those age 45-54 (45%) and 55-64 (50%); with those who have less than a high school education (51%); who earn less than $20,000 (45%); Blacks (53%); those who think the government should pay for all or most of Americans' health care costs (46%) or the poor and disabled only (47%); and those who are confident that Medicare will pay retirement benefits (49%).

Unfavorable perceptions are higher with: age 18-24 (28%); 25-44 (26%); college graduates (26%); earn more than $40,000 (25%); employed respondents (25%); part-time workers (27%); think major changes are necessary (25%); are not satisfied with health insurance (28%); have stayed in job to preserve health benefits (30%); think the government should pay all or most of the health care costs of Americans (25%), and those who say the government has no responsibility to pay for health care (30%).

Social Security

Only 11% are not familiar with the Social Security program. In terms of perceptions, 58% are favorable toward the program and 28% are unfavorable. Favorability is higher with: age 55-64 (65%), 65+ (76%), less than college (63%), earn less than $20,000 (62%), those who say the system meets their needs (61%) or that only minor changes to the system are necessary (63%), those who are confident in the adequacy of their insurance (61%), and those who are confident in Medicare (74%).

Unfavorable perceptions are higher with: age 25-44 (38%); some college (35%); college graduates (32%); earn $40,000 or more (34%); say that major changes are needed (37%); are not satisfied with their health care (39%); are not satisfied with their health insurance (45%); who have stayed in a job to preserve health benefits (38%); say the government has no responsibility for health care (32%), and who are not confident that Medicare will pay benefits when they retire (38%).

Supplemental Security

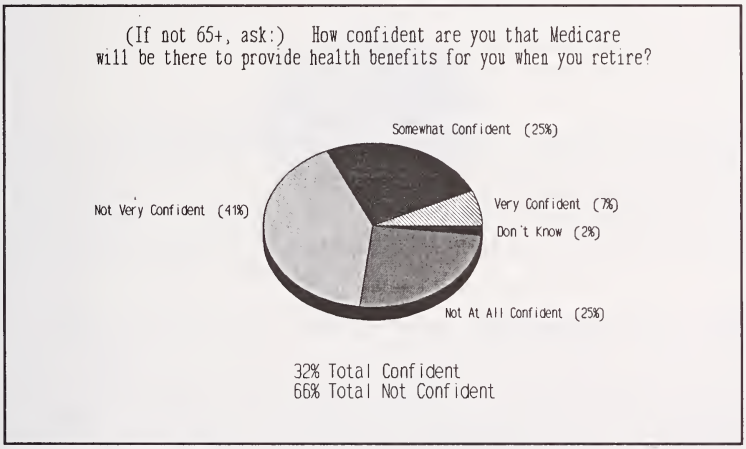
Again, a majority (54%) are not familiar with this program. However, 31% have a favorable perception and 13% are unfavorable toward the program. Favorable perceptions are somewhat higher with those age 45-54 (40%), 55-64 (37%), those with less than a high school education (45%), and Blacks (46%).

Unfavorable perceptions are somewhat higher with Men 65+ (17%), those who have stayed at a job to preserve health benefits (17%), who say health care is not a right (28%), and believe that government is not responsible (19%).

Confidence In Medicare

Under Age 65

A majority of respondents in this group express a low level of confidence in the Medicare program. In all, 66% say that they are not confident that Medicare will be there to provide benefits for them when they retire, and 33% say they are confident.

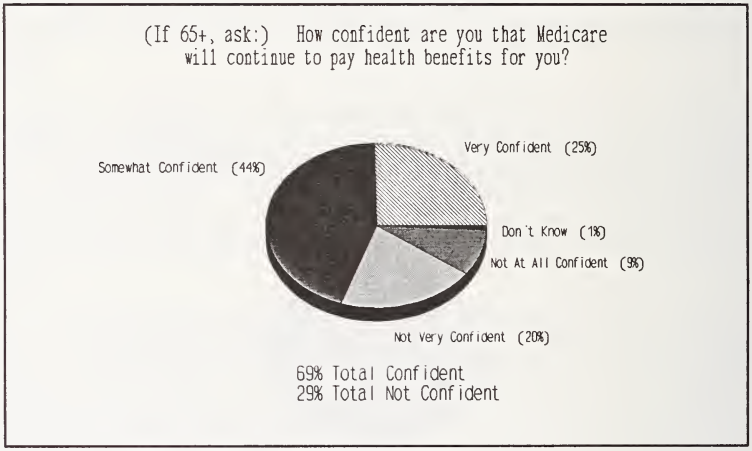

(If not 65+, ask:) How confident are you that Medicare will be there to provide health benefits for you when you retire?
Somewhat Confident (25%)
Very Confident (7%)
Don't Know (2%)
Not At All Confident (25%)
Not Very Confident (41%)
32% Total Confident
66% Total Not Confident

Confidence is higher with those age 55-64 (57%), other races (40%), those who think minor changes are necessary (44%), and those who are satisfied with their health insurance (37%).

Confidence is lower with age 25-44 (74%); Women 18-44 (76%); earn $75,000 or more (71%); those who call for major changes (75%); who are not satisfied with their health care (80%) or health insurance (77%); are not confident in the adequacy of their insurance (74%); who have stayed at a job to preserve health benefits (74%), or who say health care is not a right (71%).

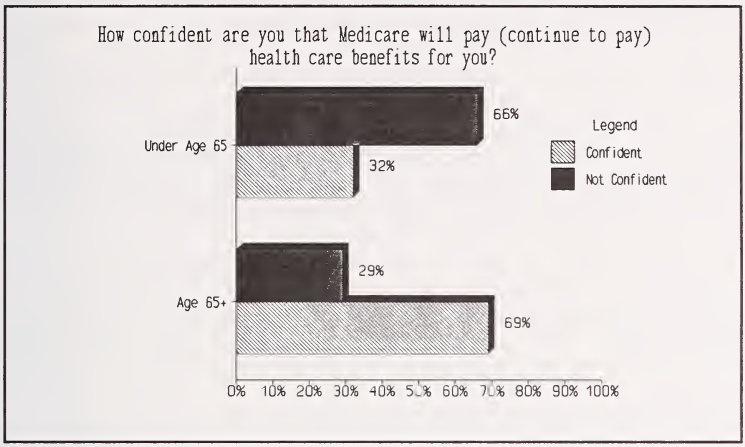
Age 65+

Confidence is much higher among the over 65 population. In all, 69% are confident that Medicare will continue to pay benefits to them.


(If 65+, ask:) How confident are you that Medicare will continue to pay health benefits for you?
Very Confident (25%)
Somewhat Confident (44%)
Don't Know (1%)
Not At All Confident (9%)
Not Very Confident (20%)
69% Total Confident
29% Total Not Confident

The following groups have higher "not confident" scores: some college (34%), think major changes are necessary (35%), and those who are not confident in the adequacy of their health insurance (44%).

The following chart compares the confidence levels of the over and under 65 population on Medicare.



These variables were combined to create an overall confidence measure. Analysis of variance techniques were used to determine the statistical significance of any apparent differences in the demographic composition of groups on the computed variable. Respondents over age 55 are significantly more confident in the ability of Medicare to pay benefits in the future than those under 55. Further, men are significantly more confident than women.

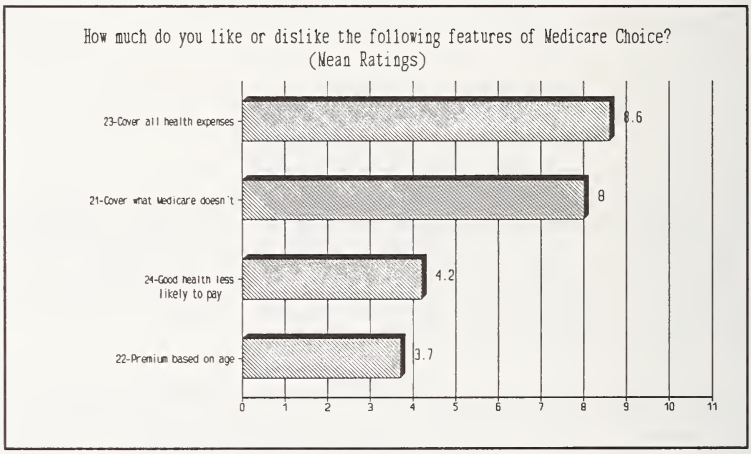
The least confident people are significantly: more affluent and more likely to be working; more likely to be covered by an employer's policy; more concerned or anxious about health care costs and coverage; less confident in the adequacy of their insurance; more likely to have stayed in a job to preserve health coverage, and more likely to want major changes in the system.

Medicare Choice

For people over 65, the Medicare program does not pay for some things -- prescription drugs, vision and dental services, and long stays in nursing homes. In addition, it requires you to pay part of each hospital stay and doesn't pay for lengthy hospital stays.

A new voluntary proposal is being discussed -- let's call it Medicare Choice. This program would pay for most of what Medicare now excludes, but would require people to choose the program some years before they retire. If you selected Medicare Choice, you or your employer would have to buy a health insurance policy that would cover the first, say $35,000, of health care costs after you reach 65. Medicare Choice would pay for all health care costs over $35,000.

Please tell me how much you like or dislike each of the following features of this idea on a
1-10 scale where 10 means you like it very much and 1 means you don't like it at all.



Cover All Health Expenses

As the preceding chart indicates, the most highly rated feature of this option (Mean = 8.6) is that "the combination of this private insurance and Medicare Choice would cover all your health care expenses and services, including nursing home care. You would not have to worry about high health care costs and your finances would not be wiped out. Nearly six out of 10 respondents (58%) give this feature a "10" rating.

Although there are no significant differences by geography, other subgroups do differ. For example, younger respondents tend to give this feature a higher overall rating than older respondents. Those 18-44 give a mean rating of 8.8, those 45-54 an 8.6, those 55-64 8.4, and those 65+ 8.0. The lowest rating among age/gender cohorts is from Men age 65+, 7.8; the highest from Women 18-44 (9.0).

No differences are noted by the education level of respondents. Few differences are found among income groups, with the exception that those earning $75,000 or more give a slightly lower rating (8.2) than those earning less. Black respondents (9.2) rate the feature more highly than White respondents (8.6) or other races (8.1).

Those who think changes to the system are necessary give a slightly higher rating (8.7) than those who say the system meets their needs (8.5). Besides Men age 65+, only those saying that health care is not a right (7.2), that the government is not responsible for health care (7.4), those (65+) who are not confident that Medicare will continue to pay benefits (7.8), and those with no health insurance (7.8) give ratings that are much lower than the mean.

Medicare Choice Would Cover What Medicare Does Not

Respondents give this feature, that "Medicare Choice would cover what Medicare does not -- vision, dental, prescription drugs, long nursing home stays, and care in your home" only a slightly lower mean rating (8.0). In all 47% give it a "10" rating.

Although Men (7.9) and Women (8.1) have similar mean scores, more Women give it a 10 rating (52%-41%). As the following table indicates, the popularity of this feature declines with each succeeding age group.

Mean Rating Scores
Medicare Choice Covers What Medicare Does Not

Age 18-24	8.6
Age 25-44	8.4
Age 45-54	7.8
Age 55-64	7.5
Age 65+	7.2

Groups which oppose all major options tested tend to give lower ratings to this feature than those who favor them. Those who oppose the Medicare Choice option give this feature a 6.3 rating. Other low ratings are from those who say that health care is not a right (6.3), that the government is not responsible for health care costs (6.5), and who are not confident that Medicare will continue (6.8).

Likelihood Of Payment If You Don't Have High Health Bills

Considerably less well liked is the aspect of this option that says "If you seldom have high health care bills, the government portion of Medicare Choice would be less likely to pay for your care." This feature receives a mean rating of 4.2.

Again, little difference is noted by region and those age 65+ are the least favorable toward the feature (3.8). Men (4.4) give a somewhat higher rating than Women (4.1). The lower rating by Women is driven mainly by Women age 65+ (3.5). Ratings improve with the education level of the respondent. Regarding income, only those earning $75,000 or more give ratings that are higher than the mean (4.8). Those who are opposed to the Medicare Choice option give a 3.5 rating and those who are dissatisfied with their health care services give this feature a 3.7 rating.

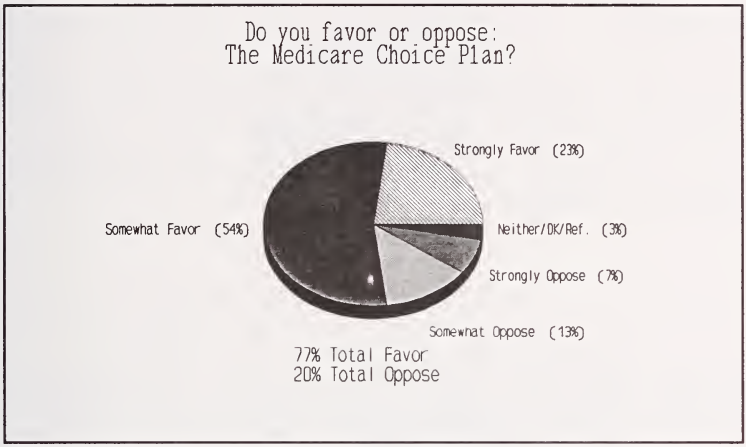
Premiums Based On Age

The lowest rated feature tested for Medicare Choice (3.7) deals with the fact that "the monthly premium for the private insurance would depend on how young you were when you or your employer purchased it. If you were 50 years old, the private insurance might cost $80 per month. If you were age 65, it might cost $320 per month."

Women age 65+ give this a very low rating (2.8) as do Blacks (2.7), those who oppose Medicare Choice (2.8), those who are not confident that Medicare will continue to pay benefits (2.7), and those with no health insurance (2.5).

Support For Medicare Choice

After the above features were presented, respondents were asked whether they favor or oppose this idea as an option in the Medicare program. By nearly four to one (77%-20%), respondents favor the idea. The intensity is as follows: 23% strongly favor, 54% somewhat favor, 13% strongly oppose, and 7% strongly oppose the idea.



Support is strongest with those age 18-24 (89%) and 25-44 (81%); some college (82%); earn $40,000 or more (82%); those who receive employer health benefits (81%), and those who say the government is responsible for the poor or disabled (83%).

Opposition is greater among the following groups: age 55-64 (25%); age 65+ (33%); Men 65+ (33%); Women 45+ (28%); less than high school (28%); Blacks (24%); those saying that health care is not a right (42%); that the government is not responsible (34%), and those who oppose other major options for changing the health care system.

The individual aspects of the proposal should be viewed in two dimensions -- the degree to which they are liked or disliked, and the degree to which each is important in driving support or opposition to the proposal.

Regression analysis (R = .49 accounting for 24% of the variance associated with support or opposition to this proposal) indicates that in terms of the variance accounted for, support or opposition to Medicare Choice is driven primarily by the aspects of the option themselves rather than by external factors. In order, these are that premiums are based on age (Beta = .30); that it would cover what Medicare does not (.20); you wouldn't have to worry about health care costs (.11), and that the government portion would be less likely to pay the expenses unless one has high health care bills (.07).

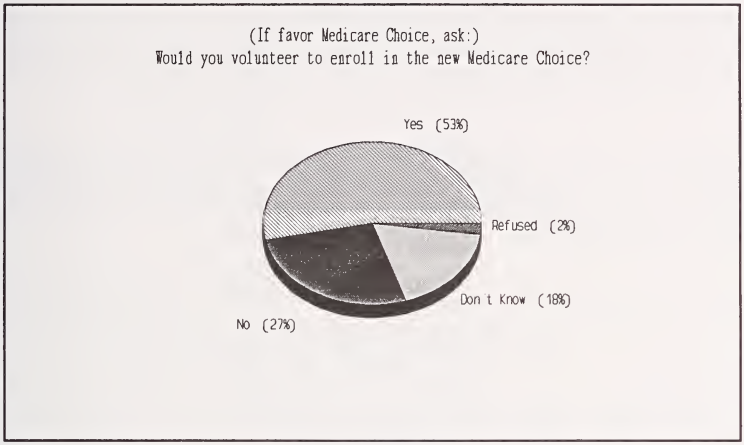
Medicare Choice

	Beta	Mean
Q22 Premium based on age	.30	3.7
Q21 Medicare Choice would cover what Medicare doesn't	.20	8.0
Q23 Medicare Choice and private insurance covers all	.11	8.6
Q24 Never have high health bills government less likely to pay	.07	4.2

Regression analysis (R = .31 / 9.6 percent of variance) indicates that other factors are involved but that they account for little of the variance. This analysis indicates that support for Medicare Choice is also associated with increased confidence in Medicare, satisfaction with the quality of health care currently received, and dissatisfaction with current health insurance. Further, it suggests that support for Medicare Choice decreases with age and increases with willingness to pay for the uninsured. Again, however, the main factors driving support are the individual aspects of the option.

Medicare Choice Enrollment

Those who favor the Medicare Choice option were asked if the would volunteer to enroll in Medicare Choice? A majority, 54%, say they would enroll.



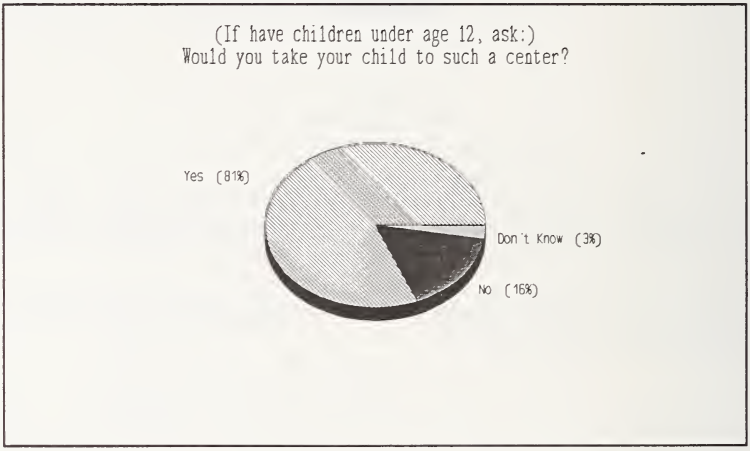
The following groups are more likely to say they would enroll: Men age 45-64 (64%), earn $75,000 or more (58%), Divorced/Separated (68%), Black (64%), and those who say that major changes are needed (63%)

These groups are more likely to say they would not enroll: age 18-24 (38%), 65+ (33%), and less than college (34%).

School Based Clinics

Because of the increasing problem in this country relating to children not receiving immunizations or being screened for illness at an early date, we tested an innovative approach to solving the problem through health centers at or near elementary schools. In such clinics, respondents were informed that infants and children could see doctors and nurses, be immunized, be screened for illness, and have physical examinations as well as vision and hearing tests. These centers could be run like the school lunch program where everyone has the opportunity to use them, and they would be free to those who can't afford them.

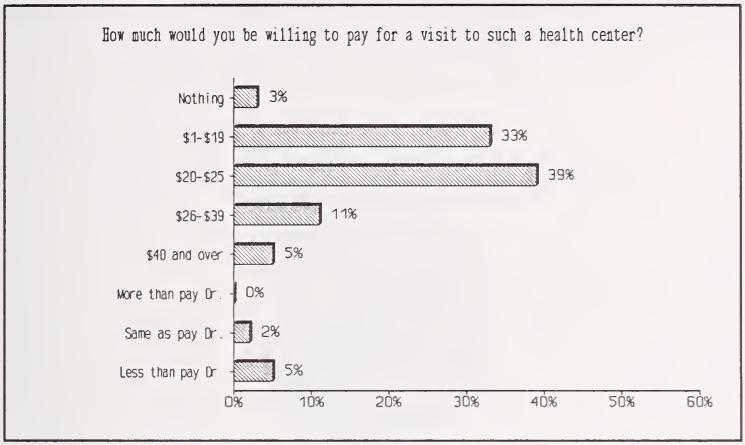
An overwhelming number of respondents who have children under age 12 (N=409) say they would take their child to such a center. Those earning less than $20,000 are significantly more likely to take their children to these centers than those earning more than $20,000.



Groups who are somewhat less likely to say they would take their children to such a center include: college graduates (27%), and those who are satisfied with their health insurance (20%).

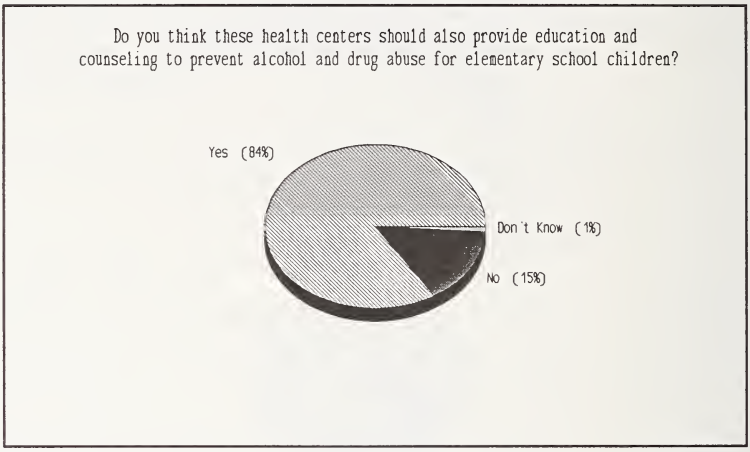
Amount Willing To Pay For A Visit

In all, 97% are willing to pay some amount for a visit to such a center -- including 96% of those earning less than $20,000 per year.



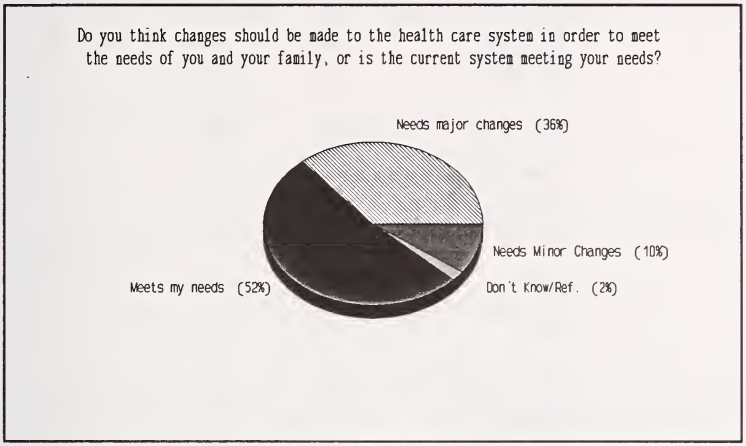
Alcohol and Drug Abuse Education and Counseling

A majority (84%) of respondents (N=1,225) say that these centers should also provide education and counseling to prevent alcohol and drug abuse for elementary school children. Disagreement is somewhat higher among: Men 65+ (19%), college graduates (23%), earn $40,000 or more (20%), those who say the system meets their needs (19%), those who are not satisfied with their insurance (19%), who say that health care is not a right (41%), and who say that the government is not responsible for paying for health care costs (33%).


Do you think these health centers should also provide education and counseling to prevent alcohol and drug abuse for elementary school children?
Yes (84%)
Don't Know (1%)
No (15%)

Desire For Changing The Health Care System

When asked "should changes be made to the health care system in order to meet the needs of you and your family, or is the current system meeting your needs?," *a majority (52%) say the system is meeting their needs*, and 10% say only minor changes are required. In contrast, 36% call for major changes in the system.


Do you think changes should be made to the health care system in order to meet the needs of you and your family, or is the current system meeting your needs?
Needs major changes (36%)
Needs Minor Changes (10%)
Don't Know/Ref. (2%)
Meets my needs (52%)

Men (49%-49%) are somewhat more desirous of change than Women (43%-54%). Those age 25-44 are more likely to want change (51%-47%) than other age cohorts. Those with less than a high school education (63%-36%) and those earning less than $20,000 (57%-41%) are very likely to want change. The following table indicates the desire for change among key subgroups.

Desire For Change In The Health Care System
By Selected Subgroups

	Meets Needs/ Minor Change	Major Changes
Less than HS	54%	46%
HS Grad/VOC	62	36
Some College	63	36
College +	63	35
Less than $20,000	54	43
$20-40,000	60	40
$40-75,000	70	29
$75,000 or more	69	30
Men 18-44	56	42
Men 45-64	57	43
Men 65+	67	33
Women 18-44	66	33
Women 45-64	60	38
Women 65+	78	21
White	64	35
Black	44	55
Other	64	31
Satisfied W/HC	70	29
Not Satisfied	31	68
Satisfied W/HI	72	27
Not Satisfied	35	65
Rec. Employer Benefit	66	33
Don't Receive	54	44
Stayed At Job	57	42
No Constraint	69	30
Confident Ins. Adequate	73	26
Not Confident	40	58
Gov't Pay All/Most	54	46
Gov't Pay Some	60	39
Poor/Disabled Only	66	32
No Responsibility	73	22

Extent Of Changes Needed

Those age 18-24 (28%) and 65+ (27%) are most likely to say that only minor changes are needed. When the variables measuring desire for change and the extent of change are combined, ANOVAs reveal that respondents earning more than $45,000 are significantly less likely to desire change in the health system than those earning less. Further, men are significantly more likely to desire change than women, and respondents over the age of 65 are least likely to want change. These last two points are driven by men under age 65 who want change and women over 65 who don't.

Those who want major change are significantly:

- More likely to be male and working full-time
- Less satisfied, more anxious, and less confident with regard to their health care coverage
- More willing to pay for covering the uninsured

They also tend to believe that government has a greater responsibility for providing health care, but are significantly less likely to agree that changes will cost everyone more money.

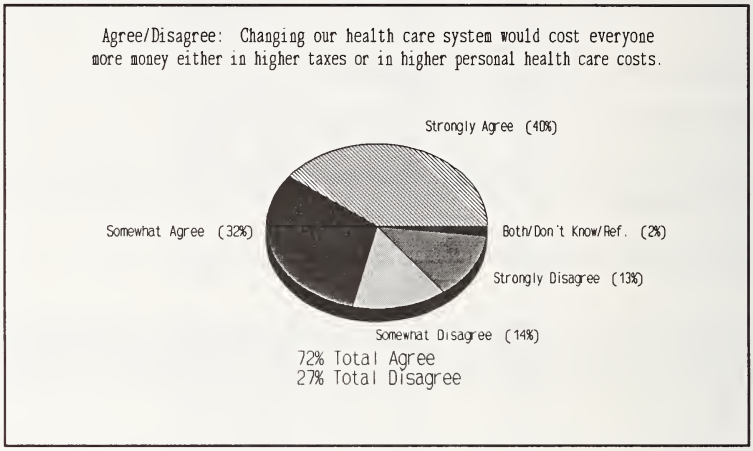
Those who say the system meets their needs are significantly:

- More affluent and more likely to be covered by their employer's plan
- More satisfied with their current coverage and quality of care, and more confident in their own coverage as well as in the ability of Medicare to pay in the future
- Tend to believe the government has a lesser responsibility for providing health care
- More likely to agree that change would cost everyone more money and less willing to pay for covering the uninsured

In regression analysis, four items (satisfaction with the quality of health care services, satisfaction with health insurance coverage, satisfaction with the costs of health insurance, and confidence in the adequacy of personal health insurance) account for 28% of the variance in the desire for change. In short, the more satisfied and confident one is, the lower the desire for change.

The Cost Of Changes To The Health Care System

Respondents tend to believe that changing the health care system would have financial ramifications that would affect them personally. A majority (72%) agree with the statement "Changing our health care system would cost everyone more money either in higher taxes or in higher personal health care costs." A plurality (40%), *strongly* agree.

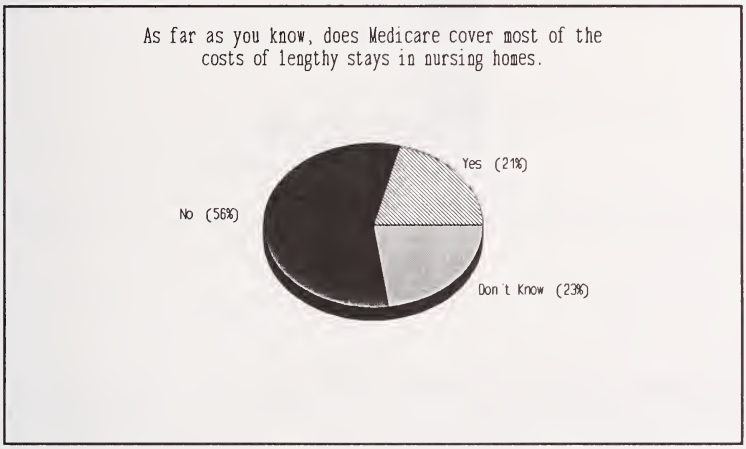

Agree/Disagree: Changing our health care system would cost everyone more money either in higher taxes or in higher personal health care costs.
Strongly Agree (40%)
Somewhat Agree (32%)
Both/Don't Know/Ref. (2%)
Strongly Disagree (13%)
Somewhat Disagree (14%)
72% Total Agree
27% Total Disagree

There is virtually no difference by region or age. Women (76%), however, are more likely to agree than men (68%). Those with less than high school (56%); earning less than $20,000 (67%) or $75,000 or more (69%); Blacks (65%); those who say changes are necessary (67%), and those who are generally dissatisfied with the system are less likely to agree. Still, large majorities of these groups acknowledge the cost implications of change.

Knowledge About the System

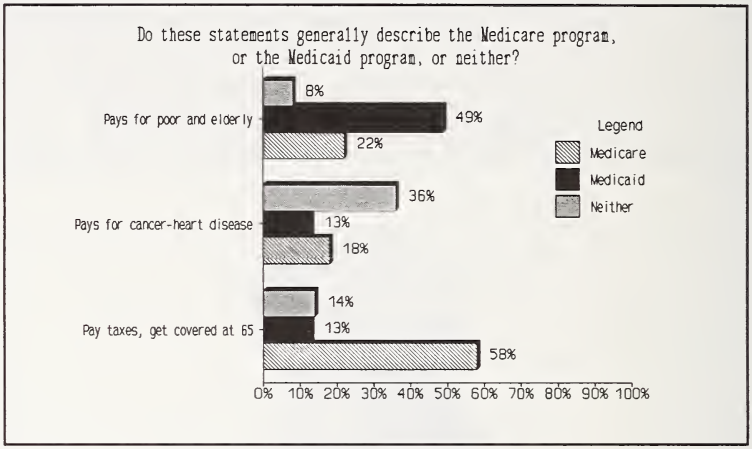
Medicare Coverage

A majority of Americans (56%) know that Medicare does not cover lengthy stays in nursing homes while one in five (21%), believes that it does and 22% don't know. There are no differences by gender or age, with the exception that those age 65 and over are more likely to answer correctly than other respondents. Although no differences are apparent among those with high school degrees or more, only 38% of those with less than a high school education answer correctly. Further, non-White respondents are more likely to believe that Medicare covers lengthy nursing home stays.



Descriptions of Medicare and Medicaid

Respondents were also asked if several statements describe Medicare, Medicaid, or neither program.



Medicare

In all, 58% correctly identify the statement "you pay taxes when you work and you get health care coverage from the government when you reach age 65 or become permanently disabled" as describing Medicare. Another 13% say it describes Medicaid, 14% as neither, 2% both, and 13% don't know. Older respondents are most likely to answer correctly followed by middle aged respondents and then the very young. In general, correct responses increase with education and income. Those who say the current health system meets their needs are more likely (63%) to give a correct answer than those who say changes are necessary (53%). However the opposite is true for those who are satisfied with their health insurance (56%) versus the dissatisfied (62%).

Medicaid

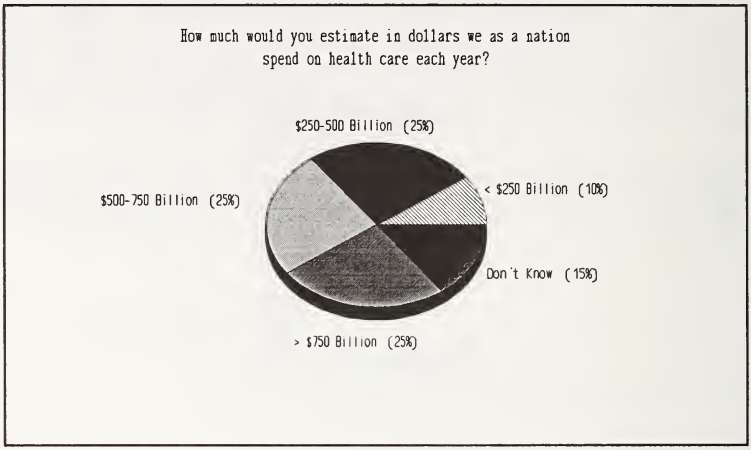
49% correctly respond that Medicaid is being described by the statement "It pays for health care services for some poor elderly and poor families with children." Another 22% say the statement describes Medicare, 8% neither program, 2% both programs, and 19% don't know.

Women (53%) are more likely to respond correctly than Men (44%). Age is not significant. Correct responses are relatively stable by income. White respondents (51%) give a higher percentage of correct response than other races. Again, those who are not satisfied with their health insurance coverage give a higher level of correct response (58%) than those who are satisfied (47%).

A decoy question "It pays for health care for anyone with cancer or heart disease" also was included. 18% say this describes Medicare, 13% Medicaid, 36% neither, 2% both, and 32% don't know.

National Health Care Expenditures

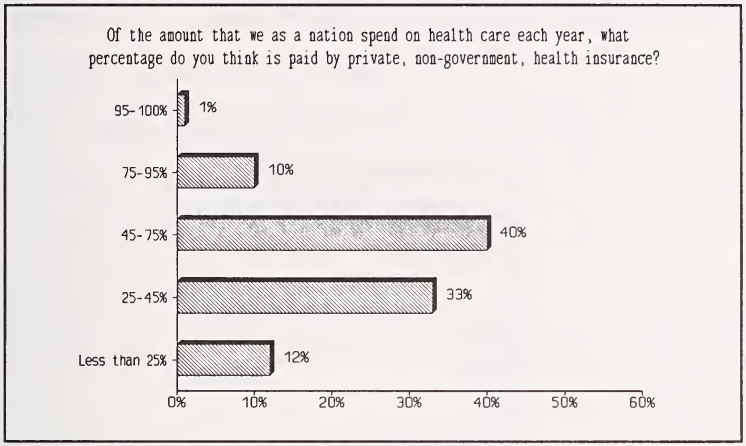
Americans exhibit a low level of knowledge in terms of health care expenditure levels in the United States. When asked to estimate the amount spent on health care each year, the following responses are given.



Respondents age 18-24 (31%) and college graduates (31%) are the most likely to give the correct range.

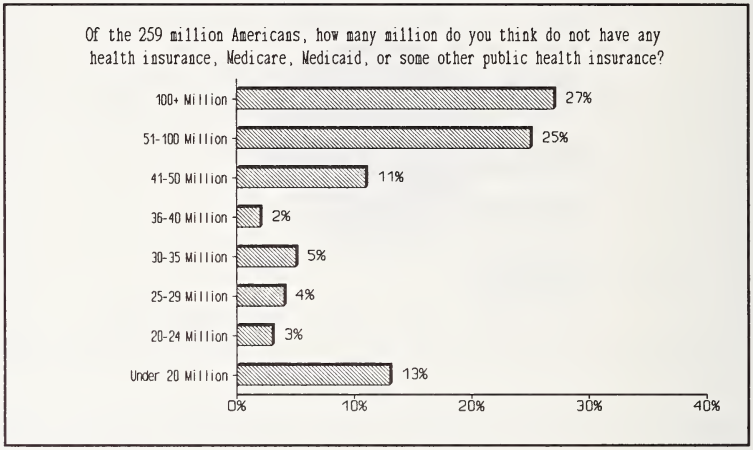
Percentage Paid By Private Insurance

One-third of all respondents with an estimate on the preceding question (N=1,-039) give the correct range (25-45 percent) when asked what percentage of the total national health expenditure is paid by private, that is, non-government health insurance. No significant differences between subgroups are noted.



Number of Uninsured

Americans tend to overestimate the number of people who have no health insurance coverage. When asked how many million people do not have any health insurance, Medicare, Medicaid, or some other publicly sponsored health insurance program for some period during the year, only 7% gave the correct range of 30-40 million. Fully 63% say that 41 million or more Americans are without insurance at some period during the year, and 27% put that figure at 100 million or more.



Knowledge Summary

Recoding the six preceding questions as correct or incorrect allowed a distribution of correct responses to be performed. This analysis underscores the low level of certainty Americans have about the health care situation in the United States in that:

- 9% gave zero correct responses to the six questions in the scale;
- 20% gave one correct answer;
- 31% gave two correct answers;
- 24% gave three correct answers;
- 13% gave four correct answers;
- 3% gave five correct answers, and
- Not a single respondent gave six correct answers.

Options for Changing the Health Care System

Introduction

In this section, the results to questions testing support and opposition to a variety of proposals for changing the health care system will be presented. The options presented here resemble plans that have been proposed by Congress, business and labor, think tanks and national commissions. Every effort was made to present the central elements of the options in a fair and balanced fashion. To this end, both positive and negative aspects of each option were tested in equal numbers. Further, special care was taken to include cost estimates or possible implications for tax increases for each option. Also, these options were presented to respondents in a rotated, that is, alternating order so that order bias could be avoided.

The results will be presented in the following fashion. First, the description of the option will be outlined. Then respondents' ratings (on a 1-10 scale) of the individual components/ramifications of the plan will be listed. Finally, overall support or opposition to the option will be summarized.

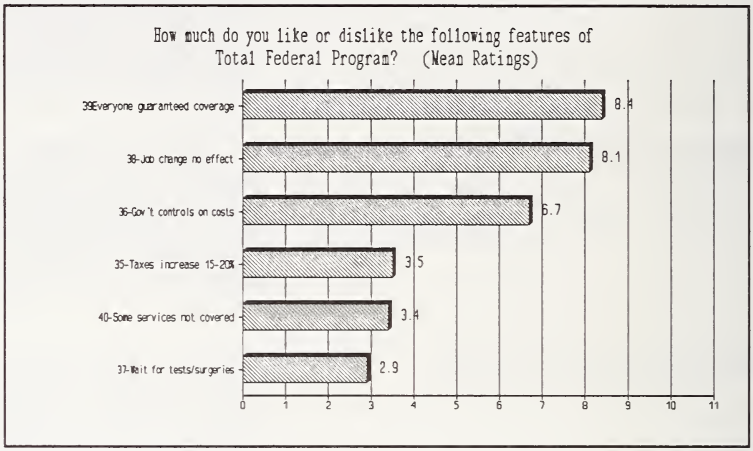
Five major proposals for changing the health care system were tested in this survey. These include:

A Total Federal Program	a national health care system run by the Federal government and paid for by Federal taxes;
Managed Care Proposal	an arrangement that essentially is the same financing mechanism as in today's system but with a totally managed care HMO-style scenario;
Employer Mandates (Play/Pay)	in which employers would be required to provide health insurance for their employees or pay a special tax so that the government could provide a health insurance plan for basic services;
Universal Protection proposal	where a new type of coverage would pay all medical bills in excess of 20% of annual income and where the government would provide insurance for the poor; and,
Individual Tax Credit proposal	where people would get tax breaks for purchasing insurance and where employees could choose between their employer's plan and other plans.

Total Federal Program Proposal

As you may know, national health insurance is being talked about in the news. Let's look at some ways a national health care system run by the Federal government and paid for by Federal taxes might affect you.

Please tell me how much you like or dislike each of the following features of the plan on a
1-10 scale where 10 means you like it very much and 1 means you don't like it at all.



Guaranteed Coverage For Basic Services

The most popular feature of this option (8.4) is that "everyone would be guaranteed coverage for the same basic health services." No differences are noted by region or sex. Those age 25-44 (8.6) find the feature somewhat more appealing than other age groups. Scores among those earning $40,000 or more are somewhat lower than scores among lower income groups. Scores also slide marginally with increases in education. Blacks (9.2) rate this feature more highly than Whites (8.4) or others (8.0). Those who oppose major options for changing the system give lower scores than those who favor them. The lowest scores are given by those who say that health care is not a right (5.7) and that the government is not responsible (6.7).

Effect of Job Change

The second most popular feature of this option (8.1) is that "Your insurance wouldn't be affected if you change jobs." Ratings tend to increase with education. Those who say that health care is not a right give a lower rating to this feature (6.6).

Mandatory Cost Controls

The last feature of this option that receives a positive rating (6.7) is that "The Federal government would place mandatory controls on health care costs." It receives a higher rating from Men (7.0) than Women (6.4). Those age 25-44 (7.1) rate it higher than other age groups. Among income groups, those earning $20-40,000 give the highest rating (7.0). Those who think major changes to the system are necessary (7.3), those who are not satisfied with their health care and health insurance (7.2), and those who have stayed at a job to preserve health benefits (7.6) also give a relatively high rating. Again, supporters of the major options to change the system give higher ratings than those who oppose them.

Tax Increases

The concept that "your income taxes would increase 15-20 percent" to pay for this program receives a low rating (3.5). Not a single subgroup gives this aspect a positive rating. The lowest rating is given by those who say that the government is not responsible for providing health care (2.3).

Some Health Services May Not Be Covered

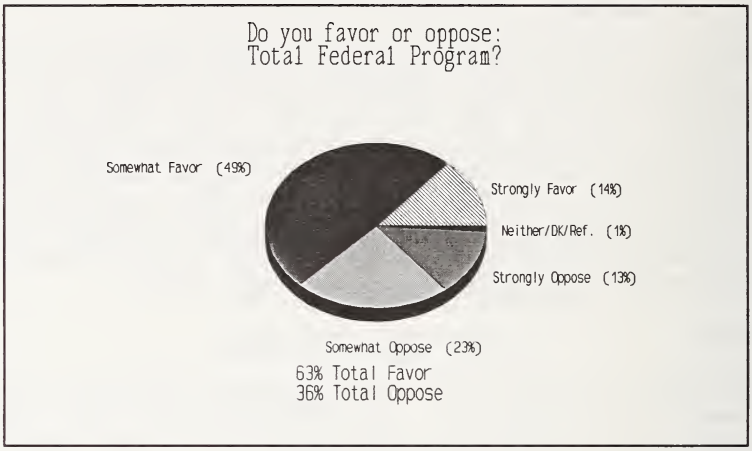
A low rating (3.4) is also given to the idea that "Some types of health services, such as liver transplants and bone marrow transplants, may not be covered." Again, scores are uniformly low. The lowest scores are given by Blacks (2.8), Divorced/Separated (2.8), and those who say that the government should pay all or most of the health care costs for all Americans (2.9). This item does not contribute significantly to a regression analysis describing support for the Total Federal option.

Waiting List For Tests Or Non-Emergency Surgeries

The least popular aspect of this option (2.9) is that "You might have to wait several weeks or months for tests or non-emergency surgeries." The lowest ratings are given by: Men age 65+ (2.3), those with less than high school (2.2), those who are opposed to the Total Federal option (2.2), and older respondents who are not confident that Medicare will continue to pay benefits (2.1).

Support For The Total Federal Program

Better than six in 10 favor the total federal program (63%). The intensity is as follows: 14% strongly favor the option, 49% somewhat favor, 23% are somewhat opposed, and 13% are strongly opposed.



Support is stronger with the following groups: Men 18-44 (67%); those who would enroll in Medicare Choice (69%), and who think that major changes in the system are needed (68%). Higher support is also given by those who are dissatisfied with their health insurance (67%); who don't receive employer health benefits (70%), and those who are not confident in the adequacy of their insurance to meet a major health care expense (69%). Finally, high levels of support are given by those who say the government should pay all or most of the health care costs for all Americans (71%), those who think the government should pay some of the costs (68%), and older Americans who are confident that Medicare will continue to pay benefits (68%).

Interestingly, no difference in support is noted between those who are satisfied and dissatisfied with their health care services. In fact, 63% of both groups favor the Total Federal option.

Opposition to this option is higher among the following groups: Women 18-64 (40%); earning $75,000 or more (43%); Blacks (42%). Opposition is also stronger with those who say that the government is not responsible for health care (62%).

Again, the individual aspects of the proposal should be viewed in two dimensions--the degree to which they are liked or disliked, and the degree to which each is important in driving support or opposition to the proposal.

Regression analysis (R = .56 / 31% of variance) indicates that support or opposition to this option is driven primarily by the internal aspects of the option. The data suggest that the most influential components of the option are cost containment and acceptance of an income tax increase. Less important, but significant, are universal coverage, transferability of coverage between jobs, and waiting for non-emergency services. Coverage of some types of health services does not have a significant impact.

Total Federal Program

	Beta	Mean
Q36 Mandatory cost controls	.30	6.7
Q35 Tax Increases	.21	3.5
Q39 Universal coverage	.13	8.4
Q37 Waiting Lists	.10	2.9
Q38 Job change no effect	.09	8.1
Q40 Some services not covered	NS	3.4

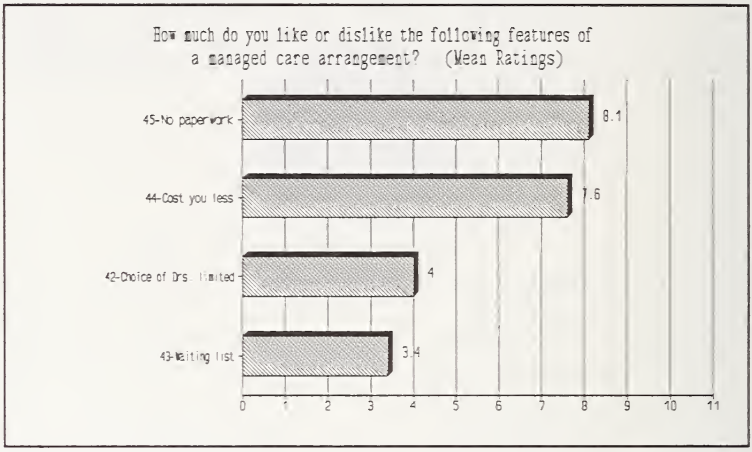
A second regression (R = .32 / 10% of variance) reveals several other factors contributing to support for the Total Federal proposal. These include: increased levels of anxiety about health care coverage and costs; belief that the government has a responsibility to provide health care, and willingness to pay to provide coverage for the uninsured.

Conversely, opposition to this option is associated with not being anxious about health care coverage and costs; the belief that the government is not responsible for health care costs, and an unwillingness to pay higher taxes to provide coverage for the uninsured.

Managed Care Proposal

One change to the health care system that some people feel would hold down health care costs is a managed care arrangement similar to HMOs.

Let's talk about some of the aspects of managed care. On a 1-10 scale where 10 means you like it very much and 1 means you don't like it at all, how much do you like or dislike each of the following features of managed care?



No Paperwork To Get Payment For Health Services

The most highly rated aspect of this option (8.1) is that 'You wouldn't have to do any paperwork to get payment for health services as you would with a traditional health insurance plan." Few differences are noted by subgroups. However, somewhat lower ratings are given by those who say that the government is not responsible for health care (7.5).

Managed Care Would Cost Less

A high rating (7.6) is also given to the aspect that "it would cost you less." Somewhat higher ratings are given by: age 18-24 (8.4) and Blacks (8.2).

Lower scores were given by: age 55-64 (6.9), age 65+ (6.5), retired people (6.7), those who say that health care is not a right (6.3), and that the government is not responsible (6.7).

Choice Of Doctors Limited

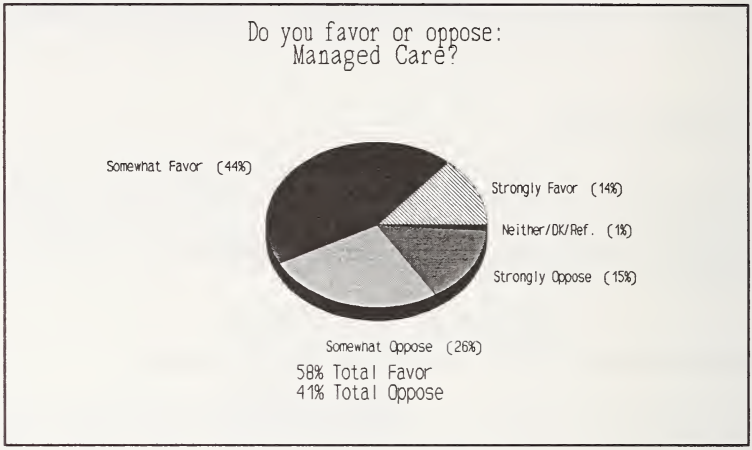
A negative 4.0 rating is given to the feature "Your choice of doctors would be limited and you must get a referral before you can see a specialist." Ratings of this feature are uniformly low. However, slightly higher scores are given by those who currently have an HMO provider (5.7). Lower scores are given by those with less than high school education (3.0).

Waiting List For Routine Visits Or Non-Emergency Surgeries

The feature "You may be placed on a waiting list to see your doctor for a routine visit or to have non-emergency surgery" receives the lowest rating in this section (3.4). All subgroups give this feature a negative rating. Only those who currently have an HMO (4.4) give a substantially higher rating. The lowest ratings are from those with less than a high school education (2.2).

Support For A Managed Care Option

A majority (57%), favor this option. In all, 14% strongly support it, 44% somewhat favor, 26% somewhat oppose, and 15% strongly oppose.



Support is stronger among these groups: Men 18-44 (66%); Men 45-64 (61%), and those who earn less than $20,000 (61%). Higher support is also registered by those who are satisfied with their health insurance (61%); who think that the government should pay all or most health costs (62%); those who have no health insurance (65%); a network of doctors (63%), or an HMO (78%).

Opposition is stronger among: age 55-64 (48%); Men 65+ (45%); Women 18-44 (46%); Women 45-64 (51%); earn $75,000 or more (48%); those who are not satisfied with their health insurance (50%), and those who have their own doctor (45%).

As with other options, regression analysis (R = .58 / 33% of variance) indicates that the internal aspects of this option explain most of the variance.

Managed Care

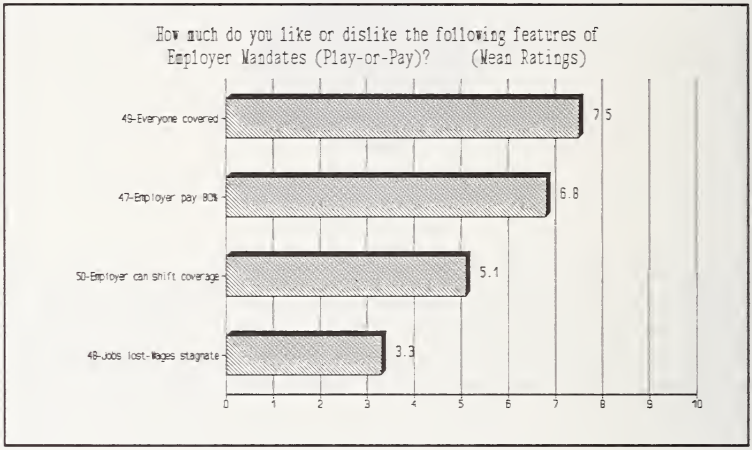
	Beta	Mean
Q44 Cost you less	.26	7.6
Q42 Choice of doctors limited	.25	4.0
Q43 Waiting List	.15	3.4
Q45 No paperwork	.14	8.1

The most influential components of the option are the attractiveness of the reduced cost and acceptance of referral requirements and a limited choice of doctors. Significant, but less important factors are having to wait to see doctors and reduced paperwork. A second regression (R = .26 / 7% of variance) reveals that satisfaction with current health insurance coverage is associated with support for this plan.

Employer Mandatas (Play-Or-Pay)

Some people suggest that employers be required to provide health insurance for their employees or pay a special tax that the government would use to provide a government-sponsored or government-run health insurance plan for basic health services.

Let's talk about some of the features of this plan. Please tell me how much you like or dislike each of the following features on a scale of 1-10, where 10 means you like it very much and 1 means you do not like it at all.



Universal Coverage

The highest rated aspect of the Employer Mandates option (7.6) is that "Everyone would be covered for basic health services either by their employer or by the basic plan; and your employer's plan could offer more services."

Only those who favor the Employer Mandates option (8.4) and Blacks (8.4) offer a substantially higher rating. Lower ratings are given by those who oppose Employer Mandates (6.1), those who say that the government is not responsible (6.1), and those who are not confident that Medicare will continue paying benefits (6.4).

Employers Pay 80% Of Health Insurance Costs

Respondents also give the feature "It would be the responsibility of an employer to pay at least 80% of the costs of health insurance for its workers and dependents" a positive rating (6.8). Ratings on this feature are fairly uniform. However, the following groups give lower scores: Men 65+ (5.2), earn $75,000 or more (5.3), oppose Employer Mandates (5.1), who say that the government is not responsible (5.0), or who are not confident that Medicare will continue to pay benefits (5.3). A higher rating is given by those who favor Employer Mandates (8.4).

Coverage May Be Shifted To The Basic Plan

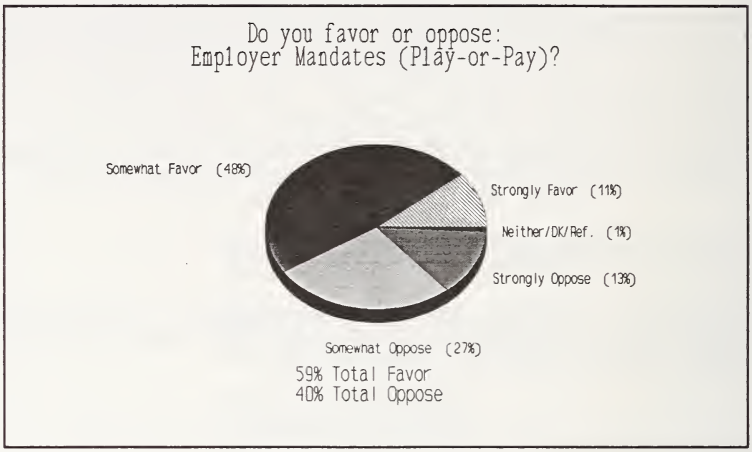
A neutral rating (5.1) is given to the feature "Your employer would be able to shift you from your employer plan into the basic plan." Only those who have an HMO provider differ substantially from the mean (6.3).

Jobs May Be Lost/Wages Stagnate

This feature, that "Some lower paying jobs may be lost and new jobs not created. Wages may stagnate because of what this insurance or tax may cost," receives a negative 3.3 rating. Ratings are very similar among all subgroups.

Support For Employer Mandates

Nearly six in 10 favor this option (59%) while 40% oppose it. In all, 11% strongly favor, 48% somewhat favor, 27% somewhat oppose, and 13% strongly oppose this option.



Support is stronger among these groups: age 45-54 (68%); Men 45-64 (72%); Less than high school (71%); earn $20-40,000 (63%); Divorced/Separated (66%); Blacks (64%); who think minor changes are needed (63%); who are not confident in the adequacy of their insurance (63%), and those who are confident that Medicare will pay benefits when they retire (64%).

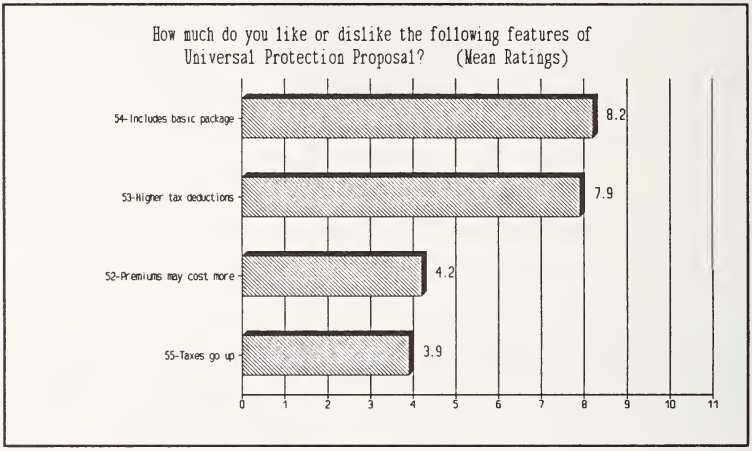
Opposition is stronger with the following groups: age 18-24 (44%); Men 18-44 (45%); college graduates (45%); earn $75,000 or more (54%); say that the government is not responsible (58%); are not confident that Medicare will continue to pay (47%), and who have no health insurance (48%).

Regression analysis (R = .62 / 38% of variance) shows that the perceived desirability of employers paying 80% of the costs of health insurance and universal coverage are the most influential components of support for this option. Still significant, but less important, are the possible loss of jobs and potential wage stagnation, as well as the perceived desirability of allowing employers to shift employees from one plan to another. In a second regression (R = .22 / 5% of variance), one other contributor to support emerges. That is, those who are confident in the ability of Medicare to pay benefits in the future are more likely to support this option.

Universal Protection Proposal

Some have suggested that the government make sure that all Americans have protection against high health care bills. For most people, once their medical bills exceeded 20% of their annual income, a new type of coverage would pay all of their medical bills. Most employees would continue to receive coverage through work, but others could buy coverage individually. The government would provide health care coverage for the poor.

Let's talk about some of the features of this plan. On a 1-10 scale where 10 means you like it very much and 1 means you don't like it at all, how much do you like or dislike each of the following features of the plan?



Insurance Would Include A Basic Benefits Package

The idea that "Your health insurance plan would include a basic package of benefits such as hospital and doctor care, preventive health services like immunizations and vision and hearing tests, and some prescription drugs," receives a high positive score (8.2). There is little variation among subgroups.

More Health Expenses Would Be Deductible

Respondents also give a positive rating (7.9) to the feature "Individuals would be able to deduct much more of their health insurance premium and health care costs on an income tax return than they can deduct now."

Premiums For Employer-Based Insurance May Increase

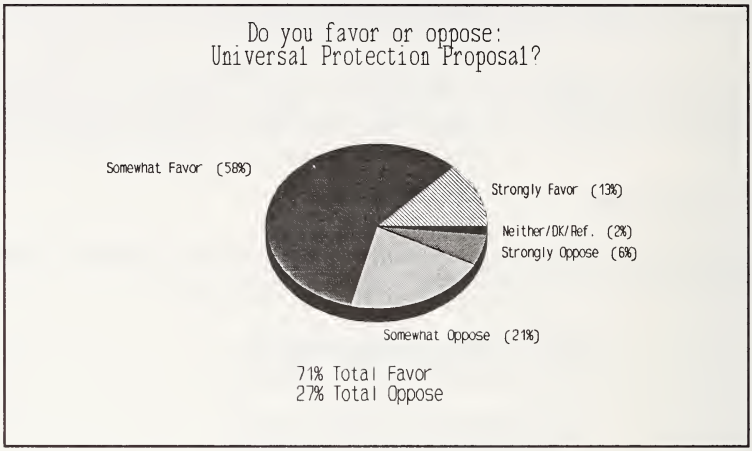
A negative 4.2 rating is given to the feature "You might have to pay more of the premiums for the insurance you receive at work." Scores are uniform across subgroups with the exception of Men 65+ who give a slightly higher rating (5.0) to this feature.

Probable Tax Increase

The aspect that states "Your taxes would probably go up" receives a negative 3.9 rating. Again, there is little difference by subgroup.

Support For Universal Protection Proposal

This option is favored by 71% while 28% oppose it. In all, 13% strongly favor the option, 58% somewhat favor, 21% somewhat oppose, and 6% strongly oppose.



Support is stronger among the following groups: age 18-24 (77%); Single (76%); Blacks (79%); other races (78%); who say that major changes are needed (79%); who don't receive employer health benefits (75%); and who say the government is responsible for paying some of the health care costs for all Americans (74%).

Opposition is more pronounced among: age 45-54 (33%); Women 45-64 (36%); part-time workers (32%); who say that the government is not responsible (44%); and those who say that Medicare will not continue to pay them benefits (32%).

Regression analysis (R = .54 / 29% of variance) indicates that the two most influential components of the plan represent a trade-off between the desirability of increased income tax deductions and a higher tax bill. Less important, but significant, are basic coverage for a broad range of services and the willingness to accept higher premiums.

Universal Protection

	Beta	Mean
Q55 Taxes go up	.23	3.9
Q53 Higher tax deductions	.21	7.9
Q52 Premiums may cost more	.17	4.2
Q54 Basic package of benefits	.16	8.2

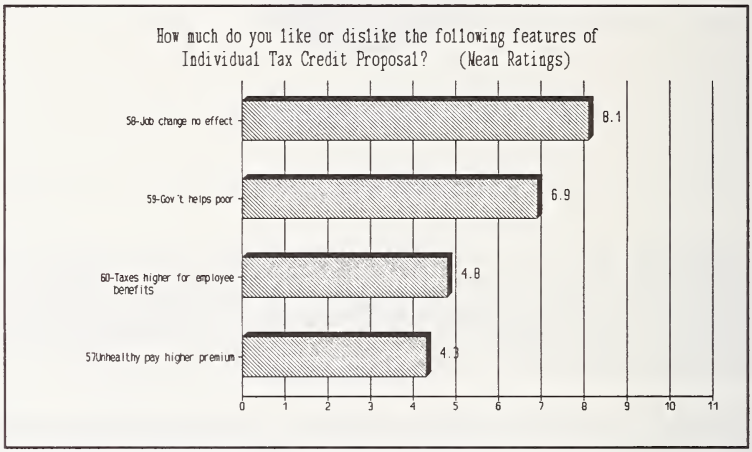
A second regression (R = .31 / 10% of variance) reveals other factors contributing to support for this option. These include: willingness to pay additional taxes to provide coverage for the uninsured; higher levels of anxiety about health care coverage and costs, and increased levels of confidence in the ability of Medicare to pay benefits in the future.

Conversely, opposition to this option is associated with lower levels of anxiety about health care coverage and costs, lower levels of confidence in Medicare, and less willingness to pay for the uninsured.

Individual Tax Credit Proposal

Some have suggested that all Americans buy their own health insurance and they would get a tax break to help pay part of their premiums and health care costs. If your employer provides you with health insurance, you would have two choices -- you could keep the health plan your employer now provides you, or you could get the money your employer now spends on health insurance and buy a different insurance plan on your own. If the plan were less expensive, you could keep the extra money. Everyone would get the same tax breaks regardless of whether they bought their health insurance on their own or got it from work.

Let's talk about some of the ways this might work and, on a 1-10 scale where 10 means you like it very much and one means you don't like it at all, tell me how much you like or dislike each of the following features of the plan.



People Who Change Jobs Would Be Able To Keep The Same Health Plan

This feature receives the highest rating (8.1) in this section. Ratings are uniform across subgroups.

Government Assistance For Poor Working Families

Also receiving a positive rating (6.9) is the feature "Poor working families would get money from the government to help them buy health insurance." This feature receives higher ratings from those 18-24 (7.8), those with less than high school (8.0), and Blacks (8.6). Lower ratings are given by Men age 65+ (5.2), and those who say that the government is not responsible for health care (5.1), or are not confident that Medicare will continue to pay benefits (4.8).

Taxes May Increase For Employer Health Beneficiaries

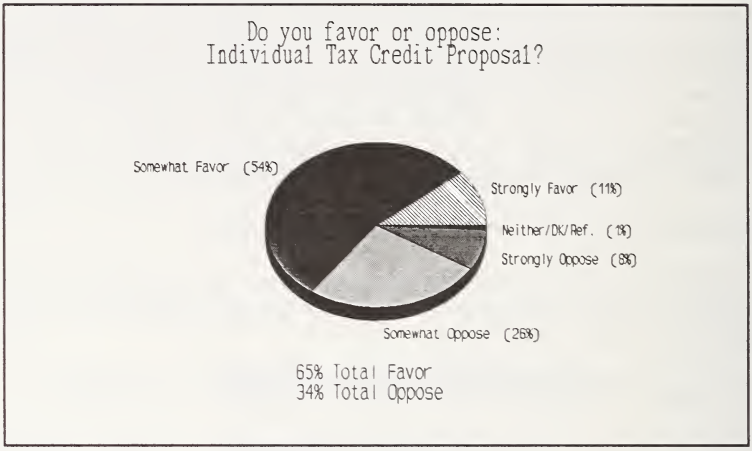
A negative 4.8 rating is given to the feature "Some people who now have health insurance paid by their employers would probably pay somewhat more in taxes." Subgroups do not differ significantly.

Health Insurance More Expensive For Those With Health Problems

Also receiving a negative rating (4.3) is the concept that "People who have health problems may have to spend more for health insurance than healthier people." No real differences are noted among subgroups.

Support For Individual Tax Credit Proposal

This option is favored by 65% while 34% oppose it. In all, 11% strongly favor, 54% somewhat favor, 26% somewhat oppose, and 8% strongly oppose.



Support for this option is stronger among the following groups: Men 18-44 (73%); age 18-24 (80%); less than high school (70%); part-time workers (70%); other races (71%); who think minor changes are needed (71%); who think the government is responsible for health care for the poor and disabled (70%), and those who have no health insurance (69%).

Opposition is stronger among: age 45-54 (39%); Women 45-64 (39%); earn $75,000 or more (42%); those who are dissatisfied with their health care services (38%) or their health insurance (40%), or who say that the government is responsible for all or most of the health care costs (40%), and those who are not confident that Medicare will continue to pay benefits (38%).

Regression analysis (R = .43 / 18% of variance) indicates that the most influential component of this option is the suggestion that people would have to pay higher taxes if they were already insured by employers, followed by the perceived desirability of helping the poor buy insurance, and being able to transfer policies or coverage between jobs. Less important, but significant, is the suggestion that people with health problems may have to pay more in premiums.

Individual Tax Credit

	Beta	Mean
Q60 Higher taxes for employer insured	.20	4.8
Q59 Government helps poor	.18	6.9
Q58 Job change, no effect	.17	8.1
Q57 Unhealthy pay higher premiums	.11	4.3

Other factors were revealed in a second regression (R = .25 / 6% of variance). These results indicate that support for the option is associated with satisfaction with existing health coverage, and higher levels of anxiety about health care coverage and costs. Conversely, opposition to the option is associated with being dissatisfied with existing coverage and lower levels of anxiety about coverage and costs.

The results show that there is no clear preference for one proposal over another, as each receives roughly the same mean level of support. Further, although a majority of respondents favor each of these options, enthusiasm for these options is not strong. Most people say they "somewhat favor" the options rather than "strongly favor." In fact, the highest "strongly favor" percentage is 14%. Further, in some cases as many people strongly oppose as strongly favor. The distribution of aggregate strongly favor, strongly oppose, and mean responses is as follows:

	Total Favor	Total Oppose	Str. Favor	Str. Opp.	MEAN*
Total Federal Program	63%	36%	14%	13%	2.7
Managed Care	58%	41%	14%	15%	2.6
Employer Mandates	59%	40%	11%	13%	2.6
Universal Protection	71%	27%	13%	6%	2.8
Individual Tax Credits	65%	34%	11%	8%	2.7

* Mean rating based on a 1-4 scale where 1=Strongly oppose and 4=strongly favor.

There were few differences in the level of support for these options among demographic groups based on age, sex, income, and region. Nor does desire for change drive support or opposition to these options. Rather, the factors driving support or opposition to these options appear to be the components of the options themselves, although satisfaction and confidence in health insurance, willingness to pay for the uninsured, and other associated variables make minor contributions to understanding support.

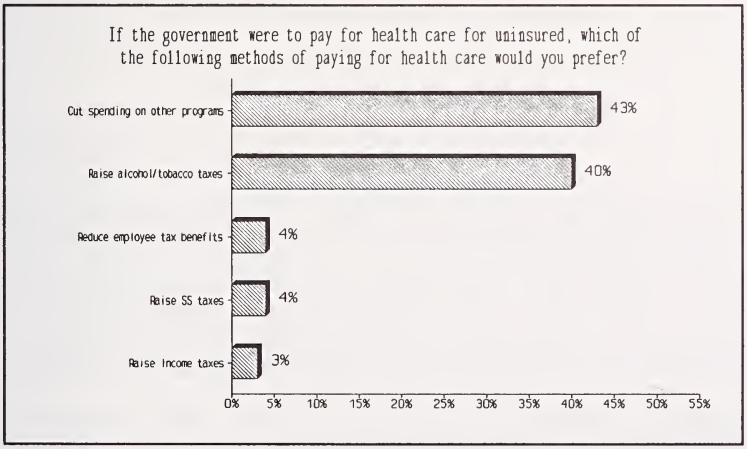
Financing Options to Provide Health Care to the Uninsured

Introduction

Several questions were asked to determine public opinion on a variety of options for financing health care for the uninsured. These questions address spending cuts, tax increases, new taxes, and new systems for generating revenue.

Modify Taxes And Spending

Respondents were asked to select from five possible payment options if the government were to pay for health care for the uninsured. As the following chart indicates, respondents prefer cutting spending on other programs and raising "sin" taxes on alcohol and tobacco over reducing the tax benefits that go to workers when employers buy health insurance, raising Social Security taxes, or raising income taxes.



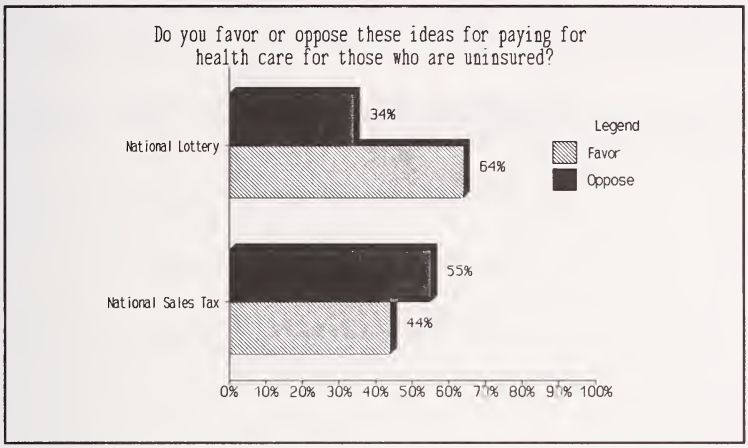
The following groups are more likely to favor cutting Federal spending on other programs: age 65+ (47%), Men 18-44 (48%), college graduates (47%), are not satisfied with their health insurance (49%), who say that the government is not responsible (49%), are confident that Medicare will continue paying them benefits (49%), receive Social Security benefits (47%), and receive Medicare (47%).

Those more likely to favor raising taxes on alcohol and tobacco include: Women 18-44 (50%), age 18-24 (48%), less than high school (44%), Blacks (48%), other races (46%), those who say that minor changes are needed (48%), who have stayed on the job to preserve health benefits (45%), and those who think the government is responsible for health care for the poor and disabled (47%).

No subgroups are significantly more likely to favor reducing tax benefits, raising Social Security taxes, or raising income taxes.

Support For A National Sales Tax/National Lottery

Although 44% favor a national sales tax on items other than essentials like food and medicine, a majority (55%) oppose this means of financing health care for the uninsured. Strong opposition is registered by 31% of all respondents. On the other hand, 64% favor (33% strongly) a national lottery.



National Sales Tax

The intensity of support for a national sales tax on non-essential items is as follows: 12% strongly favor, 32% somewhat favor, 24% somewhat oppose, and 31% strongly oppose the concept. Support is stronger among age 55-64 (50%) and 65+ (48%); less than high school (51%); other races (59%), and those who think minor changes are needed (52%). Higher support is also registered by: who say the government is responsible for paying all or most health care costs (48%), and those who are confident that Medicare will continue to pay their benefits (49%).

Opposition is greater with: age 45-54 (59%); Men 18-44 (60%); college graduates (61%); those earn $40-75,000 (61%). Also, those who are not satisfied with their health care services (60%) or health insurance (62%); who say health care is not a right (81%); or that the government is not responsible (66%), and those who are not confident that Medicare will continue to pay benefits (59%).

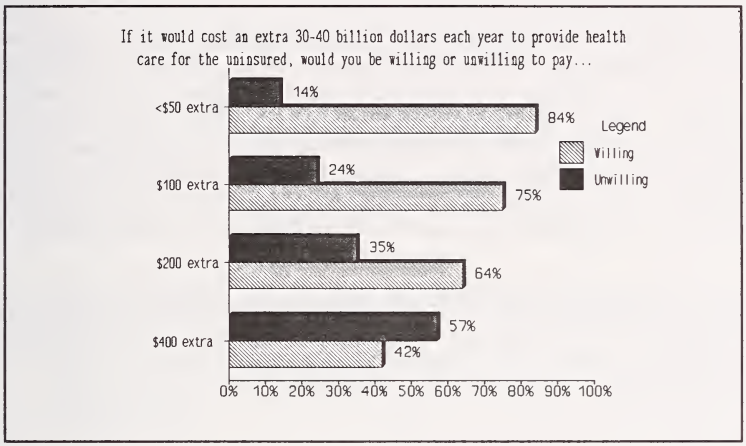
National Lottery

The intensity of support for a national lottery is 33% strongly favor, 31% somewhat favor, 12% somewhat oppose, and 22% strongly oppose. Support is stronger with: age 18-24 (77%); 45-54 (70%); Men 45-64 (68%); Women 18-44 (72%), and those with high school or less (69%). Also, those who are Separated/Divorced (73%); Single or have children under 12 (69%); other races (74%); who are satisfied with their health insurance (68%); have stayed at a job to preserve health benefits (71%), and who think that think the government is responsible for some of the health care costs of all Americans (68%).

Opposition is stronger with those age 55-64 (42%), age 65+ (48%), college graduates (42%), and those earning $75,000 or more (40%).

Willingness To Pay Additional Taxes

Respondents were asked *"If it would cost an extra 30 to 40 billion dollars each year to provide health care for the uninsured, would you be very willing, somewhat willing, not very willing, or not at all willing to pay"* amounts ranging from $400 per year to less than $50 per year in additional taxes. The following chart indicates aggregate responses.



$400 Per Year

In all, 11% are very willing, 31% are somewhat willing, 26% are not very willing, and 31% are not at all willing to pay $400 per year in additional taxes to provide health care for the uninsured. The following groups have higher "willing" responses: age 18-24 (53%); 55-64 (49%); men 18-44 (47%); Men 45-64 (50%); college graduates (46%); earn $75,000 or more (60%); employed full-time (48%); Divorced/Separated or Single (48%); other races (47%), and those who think major changes are needed (49%). Also, those who are not satisfied with their health care (48%); those who have stayed at a job to preserve health benefits (46%); who are not confident in the adequacy of their insurance (48%), and who think the government is responsible for all or most health care costs (48%).

The following groups are substantially less willing to pay $400 per year in additional taxes: Women age 65+ (81%); less than high school (65%), and those who are not employed (65%). Also those who say the system meets their needs (61%); that only minor changes are needed (62%), or that the government is not responsible (76%).

$200 Per Year

Willingness to pay this amount is much higher. In all, 64% are willing to pay $200 and 29% are very willing, 35% are somewhat willing, 16% are not very willing, and 19% are not at all willing. Groups exhibiting a higher willingness to pay this amount include: age 55-64 (70%); Men age 65+ (72%); college graduates (70%); earn $75,000 or more (70%); Blacks (74%); other races (71%); those who think that major changes are necessary (69%). Others include: those who are not satisfied with the quality of the health care services they receive (70%), and those who say the government is responsible for some of the health care costs for all Americans (69%).

Groups that are less willing include: Women age 65+ (60%); less than high school (45%); part-time workers (40%), and those who say the government is not responsible (61%).

$100 Per Year

Three out of four respondents are willing to pay $100 per year in additional taxes. In all, 49% are very willing, 26% are somewhat willing, 9% are not very willing, and 15% are not at all willing. Women age 65+ (51% not willing) are less willing to pay this amount.

Less Than $50 Per Year

At 84%, willingness to pay this amount is nearly universal and 65% are very willing. Again, those most likely to be unwilling to pay even this amount include Women age 65+ (31% not willing), and those who say the government is not responsible (33% not willing).

Analysis of variance tests were used to examine, in greater detail, overall willingness to pay additional taxes to provide health coverage for the uninsured. Respondents were divided into five groups based on the maximum amount they said they were *very* willing to pay. The top group said they were very willing to pay $400 per year in additional taxes, while the lowest group were not very willing to pay less than $50 per year.

There is an interesting and important relationship between age and willingness to pay. Willingness to pay increases with age until one reaches age 65, then drops off dramatically. In general, then, those who are not willing to pay are significantly older than those who are willing to pay. Willingness to pay is <u>not</u> related to income, satisfaction with health care or health insurance, confidence in Medicare, or perceptions of the programs.

The group most willing to pay additional taxes to provide health care for the uninsured is significantly:

- More likely to be male and working full time;
- Less confident their insurance would cover major medical expenses, but not significantly less satisfied with their insurance;
- More likely to desire major changes in the health care system, and to believe that the government should play a larger role in providing health care;

APPENDIX A

HEALTH CARE SURVEY

DEMOGRAPHIC SUMMARY

APPENDIX A
Health Care Survey Demographic Summary

Demographic Profile

The sample is distributed as follows:

- Gender

Male	49%
Female	51%

- Age

18-24	14%
25-44	43%
45-64	25%
65+	17%

- 22% Receiving Social Security Benefits (Respondent or family member)

- 4% Receiving SSI Benefits

- Education

Less than High School	9%
High School/VOC/TECH	35%
Some College	32%
College Graduate or more	23%

- Type of Health Insurance (Multiple Response)
  - Self-purchased 23%
  - Employer-provided 62%
  - Supplemental 8%
  - Medicare 15%
  - Medicare Supplemental 3%
  - Private Medigap *%
  - Long term care 3%
  - Medicaid 4%
  - Other Public program 3%
  - VA/CHAMPUS/Military 4%
  - None 7%
  - Other 2%

- Health Provider
  - Private doctor 69%
  - Network of doctors 12%
  - HMO 7%
  - Public Clinic 4%
  - Military Facility 3%
  - Emergency Room 2%
  - Other 1%

- Employment
  - Working for pay 65%
  - Not working for pay 35%
  - Work for someone else 82%
  - Self-employed 15%
  - Full-time 80%
  - Part-time 19%
  - Retired 17%

- Income
  - Less than $20,000 31%
  - $20-39,999 31%
  - $40-74,999 26%
  - $75,000 and over 6%

- Marital Status

Married	61%
Divorced/Separated	9%
Widowed	8%
Single/Never Married	21%

- Have Children Under 12

Yes	33%
No	67%

- Race

American Indian	1%
Asian/Pacific Islander	3%
Black	11%
White	80%
Other	5%
Refused	1%

- Hispanic Ancestry

Yes	8%
No	91%
Refused	1%

APPENDIX B

HEALTH CARE SURVEY

SUMMARY OF MULTIVARIATE RESULTS

APPENDIX B -- SUMMARY OF MULTIVARIATE RESULTS
(Health Care Survey)

Multivariate statistical techniques were used where appropriate in an attempt to better understand the interrelationships among survey items and responses.

In some cases, this required the construction of empirically-sound, multiple-item scales to measure key concepts. Other situations called for analysis of variance (ANOVA) techniques to identify statistically significant differences among demographic groups. Market segmentation techniques were also used to divide the public into a small number of distinct groups based on common attitudes or a single, underlying outlook that helped explain more specific attitudes or preferences. Finally multiple regression techniques were used to identify the driving factors that explain or contribute to important attitudes, perceptions and preferences.

An executive summary is presented along with detailed narratives of these multivariate procedures and results in six sections on the following pages:

- New Variable and Scale Construction.
- Attitudinal Differences Among Demographic Groups.
- Demographic Differences in Support for Health Care Options
- Market Segmentation
- Correlations and Regression Analysis
- Components Driving Favorability toward Options

SUMMARY OF STATISTICAL FINDINGS

Insurance Coverage and Satisfaction

- Dissatisfaction with health insurance appears to be limited, and the least satisfied tend to be less affluent.

- Higher income respondents are significantly more likely to have private health coverage (QA) and to get it from their employer (Q7). People under 65 are also more likely to get insurance from their employer.

- Low income people are significantly less likely to be covered under an employer plan, and are significantly less satisfied with their health insurance.

- Low income people are significantly less satisfied with the quality of their health care (Q1), and with the quality of their coverage (Q2, Q4). But there are no significant differences when it comes to their satisfaction (or dissatisfaction) with the cost of their coverage.

- This suggests that people are not dissatisfied with the cost of insurance per se, but that they tend to purchase the insurance they can afford (especially if they are not covered by an employer) and are then dissatisfied if it doesn't cover the services they expect, need or desire.

Confidence and Favorability

- Confidence in the ability of Medicare to meet people's needs is rather low, especially among people under 55 and women. Men and older people tend to be more confident.

- The people who have the most favorable images of Medicare, Medicaid, SSI and Social Security are those who are most likely to rely on these programs -- older people, lower income people and women (Q13-16).

- Lower income people are also more likely to say they would use school-based health care services and to favor substance abuse counseling in the schools (Q62,64).

Changing the Health Care System

- About one-third are *"very satisfied"* with their health care and insurance coverage. About two in 10 are not satisfied. About one-third say they are *very confident* their coverage is adequate to meet major medical expenses; another third are somewhat confident; and a third are not confident.

- As a result, about half say the current system meets their needs; while one-third say major changes are needed.

- People with incomes under $45,000 are significantly more likely to want change in the system. Surprisingly, men are more likely to want change. This is driven by younger men (18-44) who want change and women over 65 who do not.

- People under age 65 are significantly more likely to want change. This may be related to satisfaction with Medicare among older recipients.

- Most people (seven in 10) believe the government has SOME (but not full) responsibility to provide health care. More affluent people tend to feel the government has less responsibility than do lower income people.

- About three in 10 are very willing to pay $200 per year to ensure coverage of the uninsured; about half say they are very willing to pay $100. But one-third say they are not very willing to pay even $50 a year.

- People over age 65 and women are significantly less willing to pay. Surprisingly, there were no significant differences based on income.

Support for Specific Health Care Options

- Although there does not appear to be overwhelming dissatisfaction with the health care system, majorities were willing to support each of the options that were presented. However, enthusiasm for these options was not strong. Most people said they only "somewhat" favored each of the options.

  -- three in four favored Medicare Choice (Q25).
  -- seven in 10 favored the Universal Protection Proposal (Q56).
  -- Two-thirds favored the Total Federal Proposal (Q41)
  -- Two-thirds favored the Individual Tax Credit Proposal (Q61).
  -- Six in 10 favored Employer Mandates (Q51) and the Managed Care Options (Q46).

There were few differences in the level of support among demographic groups based on age, sex, income and region.

Respondents tended to give high ratings to individual items or components of the options that described increases or expansions in coverage (Q's 21, 23, 39, 49, 54).

But high ratings were also given to items that suggested people could move insurance from job to job (38, 58), that an option plan might cost less (44), require less paperwork (45) increase deductions (53) and provide assistance to the poor (59).

Negative ratings were reserved almost exclusively for items that described the cost of these programs (Q's 22, 24, 35, 47, 52, 55, 57, 60).

But other negatives included long waits (37, 43), the need for referrals (42) and limitations on coverage (40).

I. NEW VARIABLE AND SCALE CONSTRUCTION

The survey included questions designed to measure a wide range of attitudes, perceptions, experiences and preferences related to the provision of Health Care. In some cases, the concept being measured had more than one dimension or benefitted from asking a series of related questions. Here, new variables were created from responses to two or more, interrelated questions, or collapsing answers given to a single question. This included "new variables" that measured:

- Confidence in the ability of Medicare to continue to pay health benefits; and
- What level of responsibility the government has to pay for health care costs.

In some cases, attempts were made to combine multiple items or indicators into a single scale that would represent a fundamental concept in a empirically sound, reliable and valid manner. This included scales that measured:

- The desire for change in the current health care system;
- Knowledge of health care issues and trends;
- Willingness to pay for providing health care to the uninsured; and
- Anxiety about health care coverage and cost.

These procedures and results are summarized below.

Confidence in Medicare

Two questions were asked that measured respondent confidence in the ability of Medicare to pay benefits. The first question (Q27A) was asked only of respondents under 65 years of age. This question asked how confident they are that Medicare will be able to provide health benefits when they retire.

The second question (Q27B) was asked only of respondents 65 and over. This asked how confident they are that Medicare will continue to pay health benefits.

Similar responses to each question were combined to get an overall picture of respondent confidence in the ability of Medicare to pay benefits in the future, regardless of age. Those answering "Very Confident" in Q27A and those answering "Very Confident" in Q27B were then computed to be "Very Confident" on the combined variable, labelled CONFID. Those answering "Somewhat Confident" in Q27A and those answering "Somewhat Confident" in Q27B were computed to be "Somewhat Confident", and so on.

The combined variable CONFID, measuring confidence in the ability of Medicare to pay health benefits, then, is a four point scale ranging from (1) Not At All Confident, to (4) Very Confident, and is distributed as follows:

- 23 percent say they are "Not At All Confident";
- 37 percent are "Not Very Confident";
- 29 percent are "Somewhat Confident"; and
- Only 10 percent say they are "Very Confident" in Medicare's ability to pay health benefits in the future.

The scores of 1 percent of the population could not be calculated due to missing data.

This variable proved to be an important predictor of favorability to the Medicare Choice plan.

The Responsibility of Government

A single question (Q12) was asked to measure respondent opinions of the responsibility of government to pay for health care costs for all Americans. Respondents could answer either:

- that the government has the responsibility to pay most of the cost of health care for all Americans;
- some of the cost for all Americans;
- only the cost for certain people such as the poor or disabled; or
- the government doesn't have the responsibility to pay for any of the costs of providing health care.

Responses were collapsed for the middle two categories to create a new, recoded variable labelled WHOPAYS, representing a scale of the perceived level of government responsibility ranging from none to some and most of the responsibility for paying health care costs. This variable is a three point scale labelled and distributed as follows:

- Only one in 10 respondents say that "The government has no responsibility to pay for health care costs";
- The majority, seven in 10 say the government has the responsibility to pay some of the cost; and
- Two in 10 say "The government has the responsibility to pay all or most of the cost".

Desire for Change

Two questions were asked to measure the desire for changes to the current health care system. The first question (Q68) asked respondents whether (1) "the system meets their needs" or (2) "changes should be made". If a respondent said changes should be made, they were asked a second question (Q68A) to determine whether the respondent thought there should be either (2) "Major" or (1) "Minor" changes made to the current health care system.

A new variable was computed from answers to both questions Q68 and Q68A and labelled CHANGE.

- If a respondent answered (1) "The system meets my needs" to Q68, they were given a value of (1) "System meets my needs" on variable CHANGE.
- If a respondent answered (2) "Changes should be made" to Q68 and (1) "Minor changes" to Q68A, they were given a value of (2) "Minor changes should be made" on variable CHANGE.
- And if a respondent answered (2) "Changes should be made" to Q68 and (2) "Major changes" should be made to Q68A, they were given a value of (3) "Minor changes should be made" on variable CHANGE.

The new variable CHANGE, measuring the desire for change in the current health care system, ranges from (1) Meets My Needs/No Change to (3) Major Change and is distributed as follows:

- Over half (52 percent) of respondents say the system meets their needs;

- 10 percent say the system needs minor changes; and
- 36 percent say the system needs major changes.

Desire for change is negatively correlated with satisfaction with current health care coverage (Q2; r= -.41), indicating a link between low levels of satisfaction with health care coverage and the desire for change.

Knowledge of Health Care Issues and Trends

Knowledge of Health Care issues and trends was measured by asking respondents a series of questions scattered throughout the survey. Several of these questions asked respondents whether a particular statement described the workings of either Medicare or Medicaid (Q17 to Q20). One asked respondents how much they believed the U.S. spends on health care each year (Q65). Another asked them how many Americans they believed were without any type of health care coverage whatsoever (Q67).

Each of these six questions was relabelled and recoded as indicating either a (1) correct or (0) incorrect answer. An attempt was then made to develop a single, more reliable scale by combining the six items representing the broad concept of knowledge. Scores ranged from 0 to 5 (on a possible 0 to 6 scale) and were distributed as follows:

- 9 percent gave zero correct responses to the six questions in the scale;
- 20 percent gave one correct answer;
- 31 percent gave two correct answers;
- 24 percent gave three correct answers;
- 13 percent gave four correct answers;
- Only 3 percent gave five correct answers; and
- Not a single respondent got six correct answers.

Two items in the scale, recoded variables KQ18 (the correct description of Medicare) and KQ20 (the correct description of Medicaid) were the only two variables that correlated well together (r= .32).

Consequently, the reliability of this scale was well below generally accepted standards (Chronbach's alpha = 0.32).

As a result, the knowledge scale (KNOW) was not correlated with either education

or any other demographic characteristics, including income and age. Nor was the scale correlated with possible dependent variables such as willingness to pay (COST4PT), confidence (CONFID), or desire for change (CHANGE).

Willingness to Pay

Respondents were asked a series of questions designed to measure their willingness to pay varying amounts of money to provide health care for the uninsured. They were told that this would cost the nation 30 to 40 billion dollars a year and asked how willing they were to pay either $400 per year (Q31), $200 per year (Q32), $100 per year (Q33), or $50 per year in additional taxes.

We created two separate scales to measure this concept of willingness to pay. The first scale, labelled COST12PT, is a 13 point scale ranging from 4 to 16. This scale was constructed by taking the responses to Q31 to Q34, (1) Not Willing, (2) Not Very Willing, (3) Somewhat Willing, and (4) Very Willing and summing the values for each respondent across all four variables. Therefore, a respondent who answered (1) Not Willing to each of the four questions received a score of 4 on COST12PT (1+1+1+1), and a respondent who answered (4) Very Willing to each of the four questions received a score of 16 (4+4+4+4).

All of these items (Q31 to Q34) were highly intercorrelated. As a result, the reliability of this scale exceeded generally accepted standards (Chronbach's alpha=.90).

The second Willingness to Pay scale, labelled COST4PT, is not an additive scale like COST12PT. COST4PT was created with the idea of measuring the highest level a respondent is willing to pay in additional taxes each year to provide health care for the uninsured. To do this, we performed the following operations:

- If a respondent answered "Very Willing" to pay $400, they were coded as (4) "Very Willing to Pay $400" on COST4PT;
- If a respondent answered "Very Willing" to pay $200 but did not say they were "Very Willing" to pay $400, they were coded as (3) "Very Willing to Pay $200" on COST4PT;
- If a respondent answered "Very Willing" to pay $100 but did not say they were "Very Willing" to pay either $200 or $400, they were coded as (2) "Very Willing to Pay $100" on COST4PT;
- If a respondent answered "Very Willing" to pay $50 but did not say they were "Very Willing" to pay either $100, $200, or $400, they were coded as (1) "Very Willing to Pay $50" on COST4PT;
- All other respondents were coded (0) "Not Very Willing to Pay $50 or

more" on COST4PT.

By constructing COST4PT in this manner, we were able to classify respondents by the highest level of money they were "Very Willing" to pay to provide health care for the nation's uninsured. COST4PT, then, ranges from (0) to (4) and is distributed as follows:

- 36 percent of respondents are "Not Very Willing to Pay $50 or more";
- 16 percent are "Very Willing to Pay $50", but not a higher amount;
- 20 percent are "Very Willing to Pay $100", but not a higher amount;
- 18 percent are "Very Willing to Pay $200", but not a higher amount; and
- Only 11 percent are "Very Willing to Pay $400" to provide health care for the uninsured.

These two scales were highly correlated (r= .86), providing some indirect assurance of the reliability of COST4PT. This scale was used throughout the analysis as a measure of Willingness to Pay because it appeared to be a more direct measure of the concept than COST12PT.

Anxiety about Health Care Coverage and Cost

Several questions were asked that measured a number of possible concerns or anxieties about health insurance coverage:

- Q9 determined whether respondents had ever stayed in a particular job in order to keep health coverage;
- Q10 measured confidence in one's current health coverage to meet major medical expenses;
- Q69 measured expectations of having to pay higher taxes to fund changes to the current health care system; and
- The computed variable CONFID (combined Q27A and Q27B) measured confidence in the ability of Medicare to continue to pay benefits into the future.

By looking at a respondent's answer pattern to these questions, we felt that we could create a scale that measured a general feeling of anxiety or fear over health care costs and coverage. A new variable was created, FEAR2, which attempted to

place respondents along a continuum with respect to their level of anxiety. The variable FEAR2 was created as described below:

- Respondents who stated they had stayed in a job because they didn't want to lose health coverage ("Yes" to Q9) were given a score of (4);
- The computed variable CONFID (confidence in Medicare) and Q10 (confidence in adequacy of own insurance) were reverse coded (4=1,3=2,2=3,1=4). In this way, the answer "Very Confident" became a low score and "Not At All Confident" became a high score;
- Finally, responses to questions Q69, Q9, Q10 and CONFID were summed together to create variable FEAR2, which ranges from (4) "Not Fearful" to (16) "Fearful".

37 percent of respondents could not be classified on this variable due to missing data, primarily because Q9 was not asked of people over 65 or those without private insurance.

Unfortunately, the reliability of this scale did not meet generally accepted standards (Chronbach's alpha = 0.27).

As might be expected, the anxiety scale was uncorrelated with age, gender, or education. However it was significantly correlated with the computed variable CHANGE, desire for change, (r = .21), suggesting that respondents who desire change to the current health care system tend to be more anxious on this scale about health care coverage and costs.

An examination of the correlations of CHANGE with the individual items comprising the anxiety scale, however, reveals the strongest link. Confidence in the adequacy of one's own insurance coverage (Q10) has a strong negative correlation with CHANGE (r= -.41), indicating that low confidence in your own insurance is related to the desire for changes in the health care system. Confidence in Medicare (CONFID) and expecting that change would result in higher costs to everyone (Q69) were also negatively correlated with the desire for change (r= -.15; r = -.15). And staying in a job to keep health coverage (Q9) was also associated with desiring change (r= .14).

The anxiety scale was not correlated with other demographic characteristics, including income. Nor did it correlate with the favorability questions for any of the six health care plans, or appear to play an important role in the formation of attitudes and preferences and the multiple regressions used to explore those relationships.

II. ATTITUDINAL DIFFERENCES AMONG DEMOGRAPHIC GROUPS

Oneway Analysis of Variance (ANOVA) techniques were used to test the statistical significance of any attitudinal differences among key demographic groups based on sex, age, income and region. These tests examined differences on questions measuring important attitudes and perceptions as well as respondent characteristics and preferences with respect to health care:

- Have private health insurance (QA).
- Satisfaction with quality of health care services (Q1).
- Satisfaction with aspects of current health insurance coverage (Q2-Q6).
- Favorability or image of Medicare and other programs (Q13-Q16).
- Willingness to use new school-based health care centers (Q62,Q64).
- Confidence in the ability of Medicare to pay future benefits (CONFID).
- Willingness to pay to provide health care to the uninsured (COST4PT).
- Responsibility of government to pay for health care costs (WHOPAYS).
- Desire for change in the current health care system (CHANGE).

Private Health Insurance

Analysis of variance (ANOVA) revealed significant differences in the level of confidence among key demographic groups:

- Higher income (over $45,000) respondents are significantly more likely to have private health insurance than those with incomes below $45,000.
- As age increases, so does the likelihood of having private health insurance. Young people (18-24) are significantly less likely to have private health insurance than those 25 and older.
- There are no significant differences based on sex or region.

About two-thirds of all respondents receive their health coverage through their employer, so it is not surprising to see that respondents over 65 years of age are significantly less likely to receive health coverage through an employer than those

under 65.

Satisfaction with Quality of Health Care Services

Respondents were asked how satisfied they were with the quality of health care services they receive.

- Lower income (under $20,000) respondents are significantly less likely than those earning over $20,000 to be satisfied with the quality of health care services they receive.

- There are no significant differences based on age or sex.

Satisfaction with Aspects of Current Health Insurance

Respondents were asked a series of questions which measured their satisfaction with their health care insurance. Respondents with insurance and under the age of 65 were asked how satisfied they are with the quality of their health insurance.

- Higher income (over $45,000) respondents are significantly more likely to be satisfied with the quality of their current health insurance than those with incomes below $45,000.

All respondents were then asked a series of questions about certain aspects of their health insurance coverage. These dealt with such issues as paperwork, services covered by plan, incurred costs, and pre-authorization of treatments.

- There are no significant differences based on income, age or sex with respect to satisfaction with the amount of paperwork and forms that respondents or their doctors must fill out.

- Higher income (over $45,000) respondents are significantly more likely to be satisfied with the health care services their plan covers than those earning less than $45,000.

- Lower income (under $20,000) respondents are significantly less likely to be satisfied with having to get pre-authorizations for certain treatments than those earning more than $20,000.

Favorability or Image of Medicare and Other Programs

Respondents were asked to indicate on a four-point scale whether they had a favorable or unfavorable image of Medicare, Medicaid, Social Security and SSI.

- Older Americans (65+) have the most favorable image of the Medicare program.
- Respondents over the age of 55 and those earning less than $20,000 per year have the most favorable image of Medicaid.
- Those earning less than $20,000 per year and those over 65 have the most favorable image of Social Security.
- Women have a more favorable image of SSI than do men.

Willingness to Use New School-based Health Care Centers

Respondents were told of a proposal to address the health care needs of children. This proposal outlines the development of health centers at or near elementary schools for the purposes of immunization, physical examinations, vision and hearing testing, and other basic health services. These centers would be open to all and free to those who could not afford them, much like the school lunch program. Respondents with children under 12 were asked if they would take their children to one of these centers and whether the centers should provide education and counseling to prevent alcohol and drug abuse among elementary school-aged children.

- Lower income (under $20,000) respondents are significantly more likely to take their children to these centers than those earning over $20,000 per year.
- Higher income (over $45,000) respondents are significantly less likely to agree that drug and alcohol prevention counseling and education should be provided there than those earning less than $45,000 per year.
- There are no significant differences based on sex or age.

Confidence in the Ability of Medicare to Pay Benefits

Analysis of variance (ANOVA) techniques were used to determine the statistical significance of any apparent differences in the demographic composition of groups on the computed variable CONFID, confidence in the ability of Medicare to pay benefits in the future.

- Respondents over the age of 55 are significantly more confident in the ability of Medicare to pay health benefits in the future than those under 55.

- Men are also significantly more confident in Medicare's ability to pay than are women. This difference was significant only for men under age 65.

Willingness to Pay to Provide Health Care to the Uninsured

ANOVA techniques were also used to determine statistically significant differences between demographic subgroups on the compute variable COST4PT, willingness to pay to provide insurance for the uninsured. As detailed above, COST4PT measures the willingness to pay increasing amounts of money in additional taxes to fund health care for the uninsured.

- Willingness to pay increases with age, especially among men, and then drops off at age 65.

- Older Americans, those over 65, and women are significantly less willing to pay. The least willing are women over 65.

- Surprisingly, there are no significant differences based on income.

Responsibility of Government to Pay for Health Care Costs

A scale (WHOPAYS) was constructed to measure the level of responsibility people believe the government has for paying for health care costs, ranging from none to some and most. Two in 10 say the government should pay most of the health care costs for all Americans while one in 10 say the government has no responsibility to pay for health care costs at all. About seven in 10 say the government has the responsibility to pay for some of the costs.

- Higher income (over $45,000) respondents are significantly less likely to feel government has the responsibility to pay most health care costs for all Americans than those earning less than $45,000 per year.

- There are no significant differences based on either sex or age.

Desire for Change in the Current Health Care System

Respondents were asked whether the current health care system was meeting the needs of their families and, if not, whether the system should be changed and how much. These attitudes are measured in the computed variable CHANGE, desire for change.

- Higher income (over $45,000) respondents are significantly less likely than those earning less than $45,000 per year to desire change to the current health care system.

- Respondents over the age of 65 are least likely to desire change.

- Men are significantly more likely than women to desire change. This appears to be driven by younger men (18-44) who want change and older women (65+) who do not.

III. DEMOGRAPHIC DIFFERENCES IN SUPPORT FOR HEALTH CARE OPTION

One goal of the survey was to determine the level of support and opposition for Medicare Choice, an option for the Medicare Program, and also for five distinct proposals for health reform. Responses and demographic differences to support for each of these proposals are discussed below.

Medicare Choice (Q25)

One option put forth to respondents was a program designed as an alternative to the current Medicare program. The "program would pay for most of what Medicare now excludes (prescription drugs, vision and dental services, and long stays in nursing homes), but would require people to choose the program some years before they retire. If you selected Medicare Choice, you or your employer would have to buy a health insurance policy that would cover the first, say $35,000, of health care costs after you reach 65. Medicare Choice would pay for all health care costs over $35,000."

Respondents were then asked to rate four components of the Medicare Choice option on a scale from 1 to 10, where 1 means "you don't like it all" and 10 means "you like it very much." Finally, respondents were asked whether they strongly favored, somewhat favored, somewhat opposed, or strongly opposed the Medicare Choice option. ANOVA techniques were then used to determine whether or not there were significant differences among key demographic subgroups on level of support.

- Overall, more than three in four respondents favored the option while one in five opposed it.
- Older people, those over 65, are significantly less likely to favor this option than younger to middle-aged people.
- There are no significant differences based on income, sex or region.

Total Federal Program (Q41)

The first proposal for changing the system details a national health care system run by the federal government and paid for by federal taxes. Respondents were asked to rate six components of this option on a 10-point scale and then asked whether they favored or opposed the option.

- Nearly two-thirds favored the plan while one-third opposed it.
- ANOVA techniques determined that there are no statistically significant differences based on income, age, or sex.

Managed Care Option (Q46)

The second option was presented as follows: "One change to the health care system that some people feel would hold down health care costs is a managed care arrangement similar to HMO's." Respondents were then asked to rate four components of this option and whether they favored or opposed the option overall.

- Less than six in 10 favored the plan while four in 10 opposed it.
- ANOVA techniques determined the only significant differences between demographic subgroups was between men and women. Men were significantly more likely than women to favor this option.

Employer Mandates (Play-Or-Pay (Q51)

The third option was presented as follows: "Some people suggest that employers be required to provide health insurance to their employees or pay a special tax that the government would use to provide a government-run health insurance plan for basic health services." Again, respondents were asked to rate the four components of this option and whether they favored or opposed the option overall.

- Nearly six in 10 favored the option while four in 10 opposed it.
- ANOVA techniques determined that there are no statistically significant differences based on income, age, sex or region.

Universal Protection Proposal (Q56)

This option detailed a proposal suggesting that government ensure that all Americans have protection against high health care bills. "For most people, once their medical bills exceeded 20 percent of their annual income, a new type of coverage would pay all of their medical bills. Most employees would continue to receive coverage through work, but others could buy coverage individually. The government would provide health care coverage for the poor." Respondents were then asked to rate the four components of this proposal and whether they favored or opposed it overall.

- Seven in 10 favored the option while less than one in three opposed it.
- ANOVA techniques determined that there are no statistically significant differences based on income, age, sex, or region.

Individual Tax Credit Proposal

The final proposal that respondents were asked their opinion of was presented as follows: "Some have suggested that all Americans buy their own health insurance and they get a tax break to help pay part of their premiums and health care costs. If your employer provides you with health insurance, you would have two choices -- you could keep the health plan your employer now provides you, or you could get the money your employer now spends on health insurance and buy a different insurance plan on your own. If the plan were less expensive, you could keep the extra money. Everyone would get the same tax breaks regardless of whether they bought their health insurance on their own or got it at work."

Respondents were then asked to rate the four components of this proposal and whether they favored or opposed it overall.

- Two-thirds of respondents favored the option while one-third opposed it.
- Younger respondents (18-24) were significantly more likely to favor this option than those 25 and older.
- Men were also significantly more likely to favor this proposal than women.

IV. MARKET SEGMENTATION

Public attitudes and preferences can rarely be attributed to demographic characteristics alone. Typically it is also necessary to understand public perceptions, attitudes and beliefs that underlie their preferences, choices and behavior. While these relationships are invariably complex, attempts were made to (1) isolate a small number of underlying outlooks or fundamental attitudes, (2) segment the public according to these outlooks, and (3) assess how useful these attitudinal typologies might be in explaining the public's views on health care issues. Several of these typologies or market segmentations were explored, including:

- Confidence in Medicare
- Satisfaction with Current Health Care Insurance
- Desire for Change in the Health Care System
- Willingness to Pay for Covering the Uninsured
- Perceptions of Individual and Government Responsibility

For each segmentation, analysis of variance (ANOVA) techniques were used to identify statistically significant differences in the demographic composition of the subgroups, and to explore differences in the attitudes, perceptions and preferences of subgroup members.

Confidence in Medicare

Two questions were used to ask respondents from two age groups (over and under 65) how confident they were in the ability of Medicare to pay for medical expenses in the future (Q27A and Q27B). Responses from the two groups were combined to divide the sample into four groups, ranging from those who said they were "VERY CONFIDENT" to those who are "NOT AT ALL" confident.

The MOST confident group was significantly:

- Older and less likely to be working full time.
- More likely to be male.
- More likely to have purchased their own insurance (Q72A) or to be covered by Medicare (Q72D).
- Less likely to be covered by an employers insurance policy (Q72B),

perhaps because so many are no longer in the workforce.

The MOST confident respondents were also significantly more satisfied with their health care and insurance coverage (Q1-6). And they were more confident their own coverage would be adequate. This group was the least likely to want any change in the health care system, saying that it meets their needs.

In contrast, the LEAST confident people are significantly:

- More likely to be working.
- More likely to be covered by an employer's policy, and not their own insurance.
- More likely to have stayed in a job to continue health care coverage.
- More likely to want to see major changes in the health care system.

However, the LEAST confident group was also significantly:

- LESS likely to favor Medicare Choice (Q25).
- LESS likely to favor four of the five health care options (Q46, 51, 56, 61);
- LESS willing to pay higher taxes to provide coverage to the uninsured.

There was no significant difference in support or opposition to Total Federal Program (Q41).

The MOST confident group said the current system meets their needs, but they were significantly more willing to support four different options to change the health care system and more willing to pay for covering the uninsured.

There were no significant differences among the groups in their perception of government and individual responsibility for providing health care (Q12).

Satisfaction with Current Health Insurance

The survey include a single question (Q2) that measured respondent satisfaction with the quality of health insurance. Responses to this question were coded (4) Very Satisfied, (3) Somewhat Satisfied, (2) Not Very Satisfied, and (1) Not At All Satisfied. Responses to values (2) and (1) were combined into a "NOT SATISFIED" category due to small cell sizes. This created a new, three group variable, labelled SATIS. This computed variable ranged from (1) Not Satisfied to (3) Very Satisfied and was distributed as follows:

- 12 percent were "Not Satisfied" with their current health insurance.
- 25 percent were "Somewhat Satisfied."
- 18 percent were "Very Satisfied."

Another 46 percent could not be classified because people over 65 or without private insurance were not asked the question. Of those who responded about two in 10 were not satisfied, five in 10 were somewhat satisfied, and three in 10 were very satisfied.

Those who are NOT SATISFIED are significantly:

- Older and less affluent.
- More likely to be covered by private insurance, and less likely to be covered by an employer's policy.
- Less satisfied with the QUALITY of the health care services they receive, as well as individual aspects of their insurance including cost, coverage, paperwork, and pre-treatment authorization.
- Less confident that their insurance will cover major medical expenses.

Perhaps as a result, these NOT SATISFIED people are more likely to favor change in the system. On the other hand, these NOT SATISFIED people were also:

- Significantly LESS likely to support the Individual Tax Credit Proposal (Q61).
- Not significantly more likely to favor or oppose Medicare Choice or the other four options to change the health care system (Q25, 41,46,51,56).
- NOT significantly more willing to pay for covering the uninsured.
- Significantly less likely to agree that changes would cost everyone more

money (Q69).

Desire for Changing the Health Care System

Respondents were divided into three groups -- those who said the current system meets their needs and desire no change to the system, those who desire minor changes and those who feel MAJOR changes are necessary:

- About half said the system meets their needs (NO CHANGE).
- One in 10 desire only MINOR changes.
- Just over three in 10 desire MAJOR change.

Those who desire MAJOR change are significantly:

- More likely to be male and working full time.
- Less satisfied and less confident when it comes to their health care coverage.
- MORE willing to pay for covering the uninsured, and more likely to support the Employer Mandates (Q51).

However, people who want MAJOR changes were NOT significantly more likely to favor or oppose Medicare Choice or any of the other four options (Q25, 41, 46, 56, 61).

Those who want MAJOR changes also:

- Tend to believe the government has a greater responsibility for providing health care (WHOPAYS);
- But are significantly LESS likely to agree that changes will cost everyone more money (Q69).

People who say the current system meets their needs (NO CHANGE) are significantly:

- More affluent and more likely to be covered by their employer's plan.
- More satisfied with their current coverage and quality of care, and more confident in their own coverage as well as the ability of Medicare

to pay in the future.

- Less likely to favor Employer Mandates, and tend to believe the government has a lesser responsibility for providing health care.

- More likely to agree that change would cost everyone more money, and are LESS willing to pay for covering the uninsured.

Willingness To Pay

Respondents were divided into five groups based on the maximum amount they said they would be very willing to pay to provide health care coverage to the uninsured (Q31-34). The top group said they were very willing to pay $400 a year in additional taxes, while the lowest group said they were not very willing to pay even $50 a year.

There was an important and interesting relationship between age and willingness to pay. Willingness to pay appeared to increase with age until one reaches 65, where it drops off dramatically. Those who were NOT WILLING to pay were significantly older than other respondents. But those very willing to pay $400 a year were also older than those willing to pay lesser amounts.

However, willingness to pay was NOT related to income. Nor was it related to satisfaction with health care or health insurance, confidence in Medicare or perceptions of Medicare, Social Security and other programs.

The group MOST WILLING to pay was significantly:

- More likely to be male and working full time.

- Less confident their insurance would cover major medical expenses (Q10) -- but not significantly less satisfied.

- More likely to desire major changes in the system, and to believe that the government should play a larger role in providing health care.

- More likely to favor several health care options -- Medicare Choice (Q25), Total Federal Program (Q41), Managed Care (Q46) and the Universal Protection (Q56).

Perceptions of Government Responsibility

Analysis of variance (ANOVA) techniques were also used to provide a demographic and attitudinal profile of different groups based on their perceptions of government and individual responsibility for meeting health care needs.

Respondents to Q12 were placed into one of three groups along a continuum from the government having responsibility for providing ALL OR MOST of our health care needs to having NO responsibility. This provided the rationale for creating the scale labelled WHOPAYS.

The middle group on this scale included both people who said the government has the responsibility to cover some of the health care costs as well as those who said it should only provide for some of the people -- the poor and the disabled. These two categories were combined into a single group representing those who believe the government has SOME responsibility for health care.

Analysis of variance revealed few significant differences between these two middle categories. The groups were equally likely to favor or oppose most of the health care options, although Total Federal Program (Q41) was significantly LESS favored by those who felt the government should only provide health care for the poor and disadvantaged.

Important distinctions were detected, however, between the two most extreme groups.

People who believe the government has NO responsibility are significantly:

- More affluent.
- More likely to agree that change in the system will cost everyone more money (Q69).
- More satisfied with their health care and health insurance, and more confident their coverage is adequate to meet major medical expenses (Q10).
- More likely to say the current system meets their needs.
- Less willing to pay for covering the uninsured.
- Less likely to support Medicare Choice (Q25), Total Federal Program (Q41), Employer Mandates (Q51) or the Universal Protection Proposal (Q56).

There were no significant differences in the level of support for Managed Care

(Q46) or the Individual Tax Credit Proposal (Q61).

In contrast, those who feel the government has a responsibility to provide ALL OR MOST of the health care for all Americans are significantly:

- Less affluent.
- Less satisfied and less confident in their health care coverage.
- More likely to believe major changes are needed, and more willing to pay.

Interestingly, there were few demographic differences among these groups -- no differences due to sex, age, race or employment status. Only income was statistically significant.

V. CORRELATIONS AND REGRESSION ANALYSIS

Multiple regression and correlation techniques were used in an attempt to better understand the interrelationships among important demographic characteristics, attitudes, perceptions and preferences -- particularly those relationships that might suggest the underlying factors or forces that explain or contribute to:

- Satisfaction with current health insurance (Q2).
- Confidence in one's own health insurance (Q10).
- Desire for change (CHANGE).
- Willingness to pay for (COST4PT).
- Perceptions of government responsibility (WHOPAYS)
- Support or opposition to each of the proposed options for changing the health care system.

First, bivariate correlations were examined to identify individual items that were statistically associated with one another, assessing both the strength and direction of the relationship. Later multiple regression models were built to assess the unique contribution of each item toward explaining variance in the dependent variables listed above, while controlling for the effects of other apparent "independent" variables in the model that may in fact be related to other items and confound or mask their true importance.

General Interrelationships

Few, if any of the individual demographic characteristics were found to correlate with support or opposition to the proposed options, or individual components and consequences of these plans. However, several demographics were moderately associated with attitudes and perceptions which were in turned related to support for specific health care options.

- Income was correlated with confidence in your own coverage (.29), desire for change (-.18) and believing that the government should provide for all health care needs (-.10).
- Employment was correlated with confidence in Medicare (-.23).

Thus, higher levels of income are associated with more confidence in one's insurance and less desire for change. Higher levels of income are also associated

with less belief in government responsibility. But income was not significantly correlated with willingness to pay (COST4PT).

Other demographic factors:

- As age increases, fear or anxiety decreases (r = -.18). Being male is also associated with lower levels of fear or anxiety about health care (r= -.11).

- As age increases, confidence in Medicare increases (r= .31). Being employed full time is also associated with increased confidence.

The type of insurance coverage is also important in explaining some attitudes and preferences:

- Having Medicare coverage (Q72D) is associated with lower levels of anxiety (r= -.17) and more confidence in Medicare (r= .26).

- Purchasing your own insurance (Q72A) is also associated with increased confidence in Medicare (r= .12).

- Being covered by an employer's policy (Q72B) is associated with increased confidence in your coverage (r= .26) and decreased desire for change in the health care system (r= -.14).

However, those who have stayed in jobs to keep their insurance (Q9) tend to be less confident in their coverage (Q10; r= -.23). And those covered by private insurance (QA) are more confident (Q10; r= -.29).

Satisfaction with Quality of Care (Q1) and Health Insurance (Q2) were both very important in explaining public attitudes toward health care issues:

- These two items were highly intercorrelated (r= .71), indicating that quality of care is an important predictor of satisfaction with insurance.

- Quality of Care (.46) and Satisfaction with Insurance (.48) were both strongly related to Confidence in the ability of your health coverage to meet major medical expenses (Q10).

- Satisfaction with these two items was also associated with lower levels of fear or anxiety (r= -.23; -.25). They were also associated with increased confidence in medicare (r= .20; .17).

- And the more satisfied one is with their health care or insurance, the less likely they are to believe the government has a responsibility to provide health care (r= -.19; -.14).

- The relationship between satisfaction and the desire for change is much stronger (r= -.40; -.41). The more satisfied, the less one desires change in the health care system.

Confidence in Health Coverage (Q10) is also an important driving factor behind the desire for change (Q68 and 68A), as indicated by the strong negative correlation (r =-.41). The less confident, the more one is likely to believe major changes are needed. The effect of confidence in Medicare is less strong (r= -.15).

Other factors associated with the desire for change:

- People who believe the government has a responsibility for providing health care are more likely to desire change (r =.15), and tend to be more willing to pay for it (r =.13).

- Increased desire for change is also associated with higher levels of fear or anxiety (r= .21).

- There is also a weak relationship between the desire for change and willingness to pay (r =.10).

Relationships Among the Health Care Options

The five options for changing the health care system (Q41, 46, 51, 56, 61) were found to be only moderately intercorrelated, with bivariate correlations ranging from .14 to .31.

This indicates that support for one option explains less than 10 percent of the variance in support for any of the other options.

Satisfaction with Health Insurance

Multiple regression indicates that sex, age and income are unrelated to satisfaction with health insurance (Q2). Nor is one's perception about whether government or the individual is responsible for providing health care.

The regression model explained 65 percent of the variance in Satisfaction (R= .81). The most important contributors to satisfaction with health insurance include:

- Satisfaction with the quality of health care (Q1; B= .46)

- Satisfaction with health care coverage (Q4; B= .23)

- Satisfaction with the costs you must pay (Q5; B= .12)

Also contributing were:

- Reliance on Medicare (Q72D; B= -.13)
- Having purchased your own insurance (Q72A; -.09)
- Confidence in your insurance coverage (Q10; B= .08)
- Satisfaction with insurance paperwork (Q3; B= .07)
- Desiring change in the health care system (CHANGE; B= -.07)
- Education (Q74; B= -.06).

Willingness to pay was not associated with satisfaction with insurance.

Confidence in Own Health Insurance

Multiple regression revealed seven factors that combine to account for about 41 percent of the variance (R= .64) in one's confidence that their own insurance is adequate to cover major medical expenses (Q10). These factors are:

- Satisfaction with one's current health insurance (B= .12), its coverage (B=.16) and cost (B= .13).
- Receiving insurance through one's employer (B= .19) or purchasing it on your own (B= .10).
- Being more affluent (B= .17) and free to change jobs without losing health coverage (B= -.12).

Willingness to Pay

Multiple regression was used to identify the factors that drive or account for a person's willingness to pay for providing coverage to the uninsured (COST4PT). Only three significant contributors emerged from this analysis, accounting for only 8 percent of the total variance in willingness to pay (R= .28).

The three factors are:

- Confidence in Medicare's ability to pay future benefits cost (B= .14).
- Believing the government should be responsible for providing health care (B= .13).
- Being satisfied with the costs that you must pay yourself for health insurance (B= .11).

Desire for Change

Regression analysis was also was used to identify the factors that drive or account for a person's desire for change in the health care system (CHANGE). Four statistically significant items combined to account for about 28 percent of the variance in desire for change (R= .53).

These factors are:

- Confidence in the adequacy of your own health insurance coverage (B= -.18).
- Satisfaction with the quality of health care services received (B= -.13).
- Satisfaction with one's current health insurance (B= -.13).
- Satisfaction with the costs that you must pay yourself for health insurance (B= -.10).

In other words, the less confident and satisfied one is with their current insurance and health care services, the more likely or intensely one is to desire change in the system.

Perceptions of Government Responsibility

Three statistically significant factors emerged from a regression designed to predict the degree to which one believes the government is responsible for paying health care costs (WHOPAYS). These three factors, however, accounted for only 8 percent of the total variance (R= .29).

They were:

- Willingness to pay to cover the uninsured (B= .13).
- Satisfaction with the costs that one must pay for health insurance (B= -.11).
- Satisfaction with the quality of health care services received (B= -.13).

This suggested that perceiving the government should be responsible for health care is moderately associated with being willing to pay and dissatisfied the quality of health care services and the cost of health insurance.

Factors Driving Support for Health Care Options

A series of regressions were performed to identify the demographic and attitudinal characteristics that might explain or contribute to support or opposition to Medicare Choice and each of the five options for changing the health care system.

However, these regressions reveal few, if any, strong predictors of support. In fact, in each case these demographics and attitudes combined to account for less than 10 percent of the variance in favorability.

These results are provided below, including a listing of the significant contributors to support for each option.

Medicare Choice (Q25)

Five items accounted for only 10 percent of the variance in support for Medicare Choice (R= .31). Factors contributing to support for Medicare Choice included:

	Beta	
Satisfaction with Quality (Q1)	.18	
Confidence in Medicare (Q27A/B)		.15
Satisfaction with Health Insurance (Q2)		-.15
Age	-.14	
Willingness to Pay	.13	

This indicates that support for Medicare Choice is associated with increased confidence in Medicare, satisfaction with the quality of health care you currently receive, and dissatisfaction with your current insurance. It also suggests that support for Medicare Choice decreases with age and increases with willingness to pay.

Total Federal Program (Q41)

A regression revealed several factors contributing to support for this Total Federal Program program, including:

- Increased levels of anxiety about health care coverage and costs (B = .14)
- Believing that government has a responsibility to provide health care (B = .17)
- Willingness to pay to provide coverage to the uninsured (B= .18).

Conversely, opposition to this option was associated with not being fearful, believing the individual should be responsible for health care and being unwilling to pay higher taxes.

These factors, however, combined to account for only 10 percent of the variance in the support for the option (R= .32).

Managed Care (Q46)

Regression techniques revealed that satisfaction with current health insurance (Q2) contributed significantly to support for this option, but even when combined with other attitudes and demographics the model accounted for only 7 percent of the total variance in the plan (R= .26).

Employer Mandates (Play-Or-Pay) (Q51)

Regression revealed that a combination of other attitudes, perceptions and demographics accounted for only 5 percent of the variance in support for this plan. The most important contributor was Confidence in Medicare (B= .14). Those who are most confident in the ability of Medicare to pay expenses in the future are more likely to support this option.

Universal Protection (Q56)

Several factors combined to account for about 10 percent of the variance in support for this option (R= .31). These included:

- Willingness to pay to provide coverage to the uninsured (B= .23).
- Increased levels of fear or anxiety about health care coverage and costs (B = .13)
- Increased levels of confidence in Medicare to cover future expenses (B = .11)

Conversely, opposition to this plan was associated with not being fearful, having less confidence in Medicare and being unwilling to pay higher taxes.

Individual Tax Credit Proposal (Q61)

Regression techniques indicated two factors that were moderately associated with support for the private insurance option:

- Satisfaction with your existing insurance coverage (B= .21).
- Increased levels of fear or anxiety about health care coverage and costs (B = .14)

Conversely, opposition to this plan was associated with being dissatisfied with your existing insurance and not being fearful or anxious about costs and coverage. But these factors combined to account for less than 10 percent of the variance in the

option (R= .25).

VI. COMPONENTS DRIVING FAVORABILITY TOWARD HEALTH CARE OPTION

For Medicare Choice and each of the five options that were presented for changing the health care system, respondents were asked to rate how strongly they favored or opposes the plan overall. In addition, they were asked to indicate how much they liked or disliked individual features or consequences of the option, using a scale from 1 meaning they "don't like it at all" to 10 meaning they "like it very much."

Mean ratings for each of the items indicated how much people liked or disliked individual components of the six options. Regression techniques were also used to measure **how *important* this liking or disliking** was in explaining or contributing to the favorability of the total package or option overall.

For each option, the individual items were used as independent variables in a regression model designed to predict overall favorability, the dependent variable. Standardized beta weights or coefficients were then examined to determine if the individual item contributed significantly to variance in the dependent variable, and compared to assess the relative strength of importance of the individual components in predicting favorability.

Medicare Choice (Q25)

Four items describing aspects of the Medicare Choice proposal (Q25) were found to account for about 24 percent of the variance in support for the option (R= .49):

	Beta
Q22	.30
Q21	.20
Q23	.11
Q24	.07

This indicates that concern about possible cost differentials (Q22) and desire for the expanded coverage (Q21) are the most important contributors to support for the option overall. Less important were the desire to worry less about high health care costs (Q23) and dislike of the fact that Medicare Choice would be limited to only high medical bills (Q24)

Total Federal Program (Q41)

The first proposal called for a national health care system paid for with federal tax dollars. Six items describing particular aspects of this option accounted for 31 percent of the variance in support for the plan (R= .56):

	Beta
Q36	.30
Q35	.21
Q39	.13
Q37	.10
Q38	.09
Q40	NS (not significant)

This suggests the most influential components of the option are the appeal of cost containment (Q36) and dislike or acceptance of an income tax increase (Q35).

Less important, but significant, were universal coverage (Q39), transferability of coverage between jobs (Q38) and waiting for non-emergency services (Q37).

Coverage of transplants (Q40) did not have a significant impact.

Managed Care (Q46)

The second proposal called for a managed care system similar to HMOs. Four items describing particular aspects of this option accounted for 33 percent of the variance in support for the plan (R= .58):

	Beta
Q44	.26
Q42	.25
Q43	.15
Q45	.14

This suggests the most influential components of the plan are the attractiveness of the reduced cost (Q44) and dislike or acceptance of referral requirements and a limited choice of doctors (Q42).

Significant, but less important, factors were having to wait (Q43) and reduced paperwork (Q45).

Employer Mandates (Play-or Pay) (Q51)

The third proposal described the "play-or-pay" option where employers have the choice of providing specific health care coverage or contributing to a federal fund to provide coverage to the uninsured. Four items describing particular aspects of this option accounted for 38 percent of the variance in support for the option overall (R= .62):

	Beta
Q47	.37
Q49	.24
Q50	.13
Q48	.11

This suggests the most influential components of the option are the perceived desirability of employer's paying 80 percent of the premium (Q47) and attractiveness of universal coverage (Q49).

Less important, but significant, were the possible loss of jobs and wage stagnation (Q48), as well as the perceived desirability of allowing employers to shift employees from one plan to another (Q50).

Universal Protection (Q56)

The fourth proposal described an option that would provide federal coverage for the poor as well as those with high medical bills due to illness or injury. Four items describing particular aspects of this option accounted for 29 percent of the variance in support for the option as a whole (R= .54):

	Beta
Q55	.23
Q53	.21
Q52	.17
Q54	.16

This suggests the two most influential components of the plan represent a trade-off between the perceived desirability of increased income tax deductions (Q53) and undesirability or acceptance of a higher tax bill (Q55).

Less important, but significant, were basic coverage for a broad range of services (Q54) and the willingness to accept higher premiums (Q52).

Individual Tax Credit (Q61)

The last proposal described a system in which individuals would buy their own private insurance and receive a tax break for health care costs. Four items describing particular aspects of this option accounted for only 18 percent of the variance in support for the option as a whole (R= .43):

	Beta
Q60	.20
Q59	.18
Q58	.17
Q57	.11

This indicates the most influential component of the plan was concern that people would have to pay higher taxes if they were already insured by employers (Q60), followed by the perceived desirability of helping the poor buy insurance (Q59) and being able to transfer policies or coverage between jobs (Q58).

Less important, but significant, was the suggestion that people with health problems would have to pay more in premiums (Q57).

APPENDIX C

SOCIAL SECURITY SURVEY

DEMOGRAPHIC SUMMARY

APPENDIX C

SOCIAL SECURITY SURVEY

Demographic Summary

Demographic Profile

The sample is distributed as follows:

- Gender

Male	49%
Female	51%

- Age

18-24	14%
25-44	43%
45-64	24%
65+	17%

- 27% Receiving Social Security Benefits (Respondent or family member)

- 2% Receiving SSI Benefits

- Education

Less than High School	15%
High School/VOC/TECH	36%
Some College	26%
College Graduate or more	23%

- Type of Health Insurance (Multiple Response)
  - Self-purchased 24%
  - Employer-provided 60%
  - Supplemental 9%
  - Medicare 14%
  - Medicare Supplemental 3%
  - Private Medigap 2%
  - Long term care 5%
  - Medicaid 3%
  - Other Public program 5%
  - None 8%
  - Other 2%

- Health Provider
  - Private doctor 68%
  - Network of doctors 11%
  - HMO 7%
  - Public Clinic 5%
  - Military Facility 4%
  - Emergency Room 4%
  - Other 1%

- Employment
  - Working for pay 62%
  - Not working for pay 38%
  - Work for someone else 85%
  - Self-employed 11%
  - Full-time 82%
  - Part-time 17%
  - Retired 15%

- Income
  - Less than $20,000 35%
  - $20-39,999 26%
  - $40-74,999 26%
  - $75,000 and over 6%

- Marital Status

Married	59%
Divorced/Separated	9%
Widowed	9%
Single/Never Married	22%

- Have Children Under 12

Yes	29%
No	71%

- Race

American Indian	1%
Asian/Pacific Islander	3%
Black	11%
White	79%
Other	5%
Refused	1%

- Hispanic Ancestry

Yes	8%
No	91%
Refused	1%

APPENDIX D

HEALTH CARE QUESTIONNAIRE

Health Care National Survey
November, 1991

lo, my name is_____, and I'm with an independent survey research firm ated in Alexandria, Virginia. We are conducting a survey for the Advisory Council on Social Security. Your participation in this survey is very important. The results of the survey will be in a report that will go to the President, the Congress, and the Secretary of Health and Human Services. Your participation in this survey is voluntary, but we would really appreciate your cooperation and help. Your responses will be kept completely confidential and will never be identified with you.

FILTER QUESTIONS

A Do you have any private health insurance coverage? [INSTRUCT INTERVIEWERS THAT IS NON-GOVERNMENT INSURANCE]

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

B. Do you have any children under 12 years old ?

Yes ----------
No ----------
Refused / No Ahswer ----------

C1. Are you over or under 65 years of age?

Under 65 ----------
65 and over ----------
Refused/NA [T&T]----------

C1A. In what year were you born?

18-24 ----------
25-34 ----------
35-44 ----------
45-54 ----------
55-64 ----------
65 and over ----------
Refused ----------

1. In general, are you very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied with the quality of the health care services you receive?

Very Satisfied ----------
Somewhat Satisfied ----------
Not Very Satisfied ----------
Not at all satisfied----------
Neither (Volunteered) ----------
Don't Know ----------
Refused/No Answer ----------

IF RESPONDENT HAS HEALTH INSURANCE IN QA AND IS UNDER AGE 65 IN QC ASK:

2. In general, are you very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied with the quality of your health insurance coverage?

Very Satisfied ----------
Somewhat Satisfied ----------
Not Very Satisfied ----------
Not at all satisfied----------
Neither (Volunteered) ----------
Don't Know ----------
Refused/No Answer ----------

For each of the following aspects of your health insurance coverage, please tell me if you are very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?

	Very/Somewhat Satisfied	Somewhat/Very Dissatisfied	Neither [VOL]	Not App [VOL]	Don't Know [VOL]	REF NA [VOL]
3. The paperwork and forms you have to fill out or have to get your doctor to fill out						
4. The health care services your plan covers						
5. The costs you have to pay yourself						
6. Having to get certain medical treatments authorized by your insurance company before you undergo treatment						

7. Do you or your family receive health care benefits or health insurance coverage through your job or your spouse's job?

Yes, [CONTINUE] ----------
No [GO TO QQ 10]----------
Don't Know --[GO TO QQ 10]----------
Refused/NA --[GO TO QQ 10]----------

8. Does the employer pay all, part, or none of your health insurance premiums? [READ RESPONSES]

All ----------
Part ----------
None ----------
Don't Know ----------
Refused/NA ----------

9. Have you or anyone else in your household ever decided to stay in a job you wanted to leave mainly because you didn't want to lose health coverage?

Yes ----------
No ----------
Don't Know ----------
Refused/No Answer ----------

10. Let's suppose there was a major medical expense facing you or someone in your family. How confident are you that you would have adequate health insurance to meet those expenses?

Very Confident ----------
Somewhat Confident ----------
Not Very Confident ----------
Not At All Confident ----------
Don't Know ----------
Refused/NA ----------

11. Some people believe that all Americans have a right to health care. There are many different types of rights. Which of the following most closely resembles your view of health care?

READ AND ROTATE

Health care is a right similar to:
- The right to a public school education
- The right to employment or a job
- The right to food and shelter
- Health care is not a right
- NONE [VOLUNTEERED]
- Don't Know
- Refused/No Answer

12. Please tell me which of the following statements most closely reflects your view?

READ AND ROTATE LIST TOP TO BOTTOM BOTTOM TO TOP

The government has the responsibility to pay for all or most of the health care costs for all Americans

The government has the responsibility to pay for some of the health care costs for all Americans

The government has the responsibility to pay for the health care costs only for certain people such as the poor or disabled

The government doesn't have the responsibility to pay for health care costs

Don't Know

Refused/NA

Now I'd like to read you the names of several programs and have you tell me if your impression of that program is very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable. If you're not familiar just say so. The first name is...

ROTATE:	Very Fav	Somewhat Fav	Somewhat Unfav	Very Unfav	No Opin.	Not Fam	REF/ NA
13. The Medicare program							
14. The Medicaid program							
15. The Social Security program							
16. The Supplemental Security Income (SSI) Program							

17. Elderly people sometimes have to live in nursing homes for an extended period of time. As far as you know, does Medicare cover most of the costs of these lengthy stays in nursing homes?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

I'm going to read you three statements. After I read each one, please tell me whether it generally describes the Medicare program, the Medicaid program, or if it describes neither program.

	Medicare	Medicaid	Neither	Both	DK	REF/ NA
You pay taxes when you work and you get health care coverage from the government when you reach age 65 or become permanently disabled?						
19. It pays for health care for anyone with cancer or heart disease?						
20. It pays for health care services for some poor elderly and poor families with children?						

For people over 65, the Medicare program currently does not pay for some things -- prescription drugs, vision and dental services, and long stays in nursing homes. In addition, it requires you to pay part of the cost of each hospital stay and doesn't pay for lengthy hospital stays.

A new voluntary proposal is being discussed -- let's call it Medicare Choice. This program would pay for most of what Medicare now excludes, but would require people to choose the program some years before they retire. If you selected Medicare Choice, you or your employer would have to to buy a health insurance policy that would cover the first, say $35,000, of health care costs after you reach 65. Medicare Choice would pay for all health care costs over $35,000.

Please tell me how much do you like or dislike each of the following features of this idea on a 1-10 scale, where 10 means you like it very much and 1 means you don't like it at all.

1	2	3	4	5	6	7	8	9	10	DK	REF/ NA	MEAN RATE

21. Medicare Choice would cover what Medicare does not -- vision, dental, prescription drugs, long nursing home stays, and care in your home.

22. The monthly premium for the private insurance would depend on how young you were when you or your employer purchased it. If you were 50 years old, the private insurance might cost $80 per month. If you were 65, it might cost $320 per month.

23. The combination of this private insurance and Medicare Choice would cover all your health care expenses and services, including nursing home care. You would not have to worry about high health care costs and your finances would not be wiped out.

24. If you seldom have high health care bills, the government portion of Medicare Choice would be less likely to pay for your care.

25. Now that we've discussed this idea as an option in the Medicare program, please tell whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this idea.

Strongly Favor ----------
Somewhat Favor ----------
Somewhat Oppose ----------
Strongly Oppose ----------
Neither [VOL] ----------
Don't Know ----------
Refused/No Answer ----------

IF FAVOR IN Q25 ASK:

26. Would you volunteer to enroll in the new Medicare Choice?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

IF NOT 65+ in IN QQC ASK:

27A. How confident are you that Medicare will be there to provide health benefits for you when you retire?

Very confident ---------
Somewhat Confident ----
Not Very Confident -----
Not At All Confident --
Don't Know ----------
Refused/No Answer ------

IF 65+ IN QQC ASK:
27B. How confident are you that Medicare will continue to pay health benefits for you?

Very confident --------
Somewhat Confident ----
Not Very Confident ----
Not At All Confident --
Don't Know ----------
Refused/No Answer ------

28. Many people have no health insurance. If the government were to pay for health care for all of these people, which of the following methods of paying for that health care would you prefer?

Raise Social Security taxes that workers pay on earnings ----------
Cut Federal spending on other programs --------
Reduce the tax benefits that workers get when employers buy health insurance ------
Raise income taxes ----------
Raise taxes on alcohol and tobacco ----------
Other --[DO NOT READ]----------
Don't Know ----------
Refused/NA ----------

There are two new ideas that people are talking about to pay for health care for the people who are not insured. Please tell me whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose each.

	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	Neither VOL	DK	REF/ NA
29. A national sales tax on items other than essentials like food and medicine							
30. A national lottery							

If it would cost an extra 30 to 40 billion dollars each year to provide health care for the uninsured, would you be very willing, somewhat willing, not very willing, or not at all willing to pay:

ON Q31-34, IF A 4 RESPONSE IS GIVEN AT ANY POINT, SKIP RESPONDENT TO Q35. IF A 3,2,1 RESPONSE IS GIVEN, CONTINUE WITH NEXT LOWER AMOUNT IF 7 RESPONSE VOLUNTEERED, SKIP TO Q35

	Very Will	Somewhat Will	Not Very Will	Not Will	None VOL	DK	REF/ NA
31. $400 per year in additional taxes							
32. $200 per year in additional taxes							
33. $100 per year in additional taxes							
34. Less than $50 per year in additional taxes							

I'm going to read you some information on five different plans for changing the way we pay for health care. I'm going to ask you whether you like or dislike features of each plan and then whether you favor or oppose each plan.

The first plan is as follows: [ALTERNATE PLAN MODULES Q35-41; Q42-46; Q47-51; Q52-56; and Q57-61. Preface plan two-five with: Now I'm going to read you some information about the [second - fifth] plan.

you may know, national health insurance is being talked about in the news. Let's look at some ways a national health care system run by the Federal government and paid for by Federal taxes might affect you. Please tell me how much do you like or dislike each of the following features of the plan on a 1-10 scale where 10 means you like it very much and 1 means you don't like it at all.

	1	2	3	4	5	6	7	8	9	10	DK	REF/ NA	MEAN RATE
35.	Instead of paying health insurance premiums, your income taxes would increase by 15-20 percent												
36.	The Federal government would place mandatory controls on health care costs												
37.	You might have to wait several weeks or months for tests or non-emergency surgeries												
38.	Your health insurance wouldn't be affected if you change jobs												
39.	Everyone would be guaranteed coverage for the same basic health services												
40.	Some types of health services, such as liver transplants and bone marrow transplants may not be covered												

41. Now that we've discussed this plan, please tell whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this plan.

Strongly Favor ----------
Somewhat Favor ----------
Somewhat Oppose ----------
Strongly Oppose ----------
Neither [VOL] ----------
Don't Know ----------
Refused/No Answer ----------

One change to the health care system that some people feel would hold down health care costs is a managed care arrangement similar to HMOs. Let's talk about some of the aspects of managed care. On a 1-10 scale where 10 means you like it very much and 1 means you don't like it at all, how much do you like or dislike each of the following features of managed care.

1	2	3	4	5	6	7	8	9	10	DK	REF/ NA	MEAN RATE

42. Your choice of doctors would be limited and you must get a referral before you can see a specialist

43. You may be placed on a waiting list to see your doctor for a routine visit or to have non-emergency surgery

44. It would cost you less

45. You wouldn't have to do any paperwork to get payment for health services as you would with a traditional health insurance plan

46. Now that we've discussed this plan, please tell whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this plan.

Strongly Favor ----------
Somewhat Favor ----------
Somewhat Oppose ----------
Strongly Oppose ----------
Neither [VOL] ----------
Don't Know ----------
Refused/No Answer ----------

Some people suggest that employers be required to provide health insurance for their employees or pay a special tax that the government would use to provide a government-sponsored or government-run health insurance plan for basic health services. Let's talk about some of the features of this plan. Please tell me how much you like or dislike each of the following features on a scale of 1-10, where 10 means you like it very much and 1 means you do not like it at all.

	1	2	3	4	5	6	7	8	9	10	DK	REF/ NA	MEAN RATE
47.	It would be the responsibility of an employer to pay at least 80% of the costs of health insurance for its workers and dependents												
48.	Some lower paying jobs may be lost and new jobs not created. Wages may stagnate because of what this insurance or tax would cost												
49.	Everyone would be covered for basic health services either by their employer or by the basic plan and your employer's plan could offer more services												
50.	Your employer would be able to shift you from your employer plan into the basic plan												

51. Now that we've discussed this plan, please tell whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this plan.

Strongly Favor ----------
Somewhat Favor ----------
Somewhat Oppose ----------
Strongly Oppose ----------
Neither [VOL] ----------
Don't Know ----------
Refused/No Answer ----------

Some have suggested that the government make sure that all Americans have protection against high health care bills. For most people, once their medical bills exceeded 20 percent of their annual income, a new type of coverage would pay all of their medical bills. Most employees would continue to receive coverage through work, but others could buy coverage individually. The government would provide health care coverage for the poor. Let's talk about some of the features of this plan. On a 1-10 scale, where 10 means you like it very much and 1 means you don't like it at all, how much do you like or dislike each of the following features of the plan.

	1	2	3	4	5	6	7	8	9	10	DK	REF/ NA	MEAN RATE
52. You might have to pay more of the premiums for the insurance you receive at work.													
53. Individuals would be able to deduct much more of their health insurance premiums and health care costs on an income tax return than they can deduct now													
54. Your health insurance plan would include a basic package of benefits such as hospital and doctor care, preventive health services like immunizations and vision and hearing tests, and some prescription drugs													
55. Your taxes would probably go up													

56. Now that we've discussed this plan, please tell whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this plan.

Strongly Favor ----------
Somewhat Favor ----------
Somewhat Oppose ----------
Strongly Oppose ----------
Neither [VOL] ----------
Don't Know ----------
Refused/No Answer ----------

Some have suggested that all Americans buy their own health insurance and they would get a tax break to help pay part of their premiums and health care costs. If your employer provides you with health insurance, you would have two choices -- you could keep the health plan your employer now provides you, or you could get the money your employer now spends on health insurance and buy a different insurance plan on your own. If the plan were less expensive, you could keep the extra money. Everyone would get the same tax breaks regardless of whether they bought their health insurance on their own or got it from work.

Let's talk about some of the ways this might work and, on a 1-10 scale where 10 means you like it very much and one means you don't like it at all, tell me how much you like or dislike each of the following features of the plan.

	1	2	3	4	5	6	7	8	9	10	DK	REF/ NA	MEAN RATE
57.	People who have health problems may have to spend more for health insurance than healthier people												
58.	People who change jobs would be able to keep the same health plan												
59.	Poor working families would get money from the government to help them buy health insurance												
60.	Some people who now have health insurance paid by their employers would probably pay somewhat more in taxes												

61. Now that we've discussed this plan, please tell whether you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this plan.

Strongly Favor ----------
Somewhat Favor ----------
Somewhat Oppose ----------
Strongly Oppose ----------
Neither [VOL] ----------
Don't Know ----------
Refused/No Answer ----------

Many children in this country are not getting immunizations or are not seeing a doctor soon enough to take care of their health problems. There are many reasons for this. Sometimes doctors are not available. Sometime parents are working and can't take time off. One proposed solution to this problem is to have health centers at or near elementary schools so that all infants and children can see doctors and nurses, be immunized, be screened for illness, and have physical examinations as well as vision and hearing tests. These centers would be run like the school lunch program where everyone has the opportunity to use them. The centers would be free to those who couldn't afford them.

IF HAVE CHILDREN UNDER AGE 12 IN QQB ASK:

62. Would you take your child to such a center?

Yes ----------
No ------[GO TO Q64]----------
Don't Know ----------
Refused/NA ----------

63. How much would you be willing to pay for a visit?

ASK AS OPEN END AND PROBE FOR A SPECIFIC DOLLAR AMOUNT. IF DON'T KNOW RESPONSE PROMPT WITH "Would you be willing to pay more or less than you would pay at your own doctor?

Nothing ----------
$1 $19 ----------
$20 - $25 ----------
$26 - $39 ----------
$40+ ----------
More ----------
Same ----------
Less ----------
Don't Know ----------

[ASK ALL RESPONDENTS]

64. Do you think these centers should also provide education and counseling to prevent alcohol and drug abuse for elementary school children?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

65. How much would you estimate in dollars we as a nation spend on health care each year?

Less than 250 Billion Dollars----------
250-500 Billion ----------
500-750 Billion----------
More than 750 Billion ----------
Don't Know ----------
Refused/NA ----------

IF 1-4 in Q65 ASK:

66. And what percentage of that amount do you think is paid by private, that is, non-government health insurance?

Less than 25% ----------
25-45% ----------
45-75% ----------
75-95% ----------
95-100% ----------
Don't Know ----------
Refused/No Answer ----------

67. Of the 259 million Americans, what number, that is how many million people, do you think do not have any health insurance, Medicare, Medicaid, or some other publicly sponsored health insurance program for some period during the year?

ASK AS OPEN END -- PROBE FOR SPECIFIC NUMBER -- RECORD RESPONSE

Under 20 Million Dollars ----------
20-24 Million ----------
25-29 Million ----------
30-35 Million ----------
36-40 Million ----------
41-50 Million ----------
51-100 Million ----------
100+ Million ----------
Don't Know/ Refused ----------

68. Do you think that changes should be made to the health care system in order to meet the needs of you and your family, or is the current system meeting your needs?

Changes should be made [GO TO68A]
System meets my needs ----------
BOTH [VOLUNTEERED] ----------
Don't Know ----------
Refused/NA ----------

68A. **IF CHANGES MADE IN Q68 ASK:** Do you think that (ROTATE) major changes or minor changes should be made to the system?

Major ----------
Minor ----------
Don't Know ----------
Refused/NA ----------

69. Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the following statement: Changing our health care system would cost everyone more money either in higher taxes or in higher personal health care costs.

Strongly agree ----------
Somewhat agree ----------
Somewhat disagree ----------
Strongly disagree ----------
Don't Know ----------
Refused/NA ----------

And now I have just a few questions for statistical purposes....

70. Are you currently receiving Social Security benefits?

Yes, Respondent----------
No ----------
Don't Know ----------
Refused/NA ----------

71. Are you currently receiving Supplemental Security Income (SSI) benefits?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

72. Which of the following types of health insurance do you have?
ENTER ALL MENTIONS

Insurance you purchased on your own ----------

Insurance provided by your or your spouse's employer ----------

A supplemental policy you purchased to cover ----------
the things your insurance from work doesn't cover

Medicare ----------

Medicare Supplemental plan from your employer ----------

Medigap ----------

Long Term Care Insurance (including nursing home insurance) ----------

Medicaid ----------

Some other public health care program ----------

VA/CHAMPUS/MILITARY ----------

No health care insurance ----------

Other ----------
Don't Know ----------
Refused/No Answer ----------

73. What do you use for basic and routine health care services?

Your own doctor ----------
A network of doctors from which you can choose -
Health Maintenance Organization ----------
Public Clinic ----------
Military Facility ----------
Hospital Emergency Room ----------
Other [Specify]_____----------
Don't Know ----------
Refused/NA ----------

74. What is the last grade of school you completed?

Grade School Or Less (1-8) ----------
Some High School ----------
High School Graduate ----------
Vocational / Technical Training ------
Some College (Less Than 2 Years) -----
Some College (2 Years Or More) -------
College Graduate ----------
Post Graduate Work ----------
Don't Know / Refused ----------

75. Are you currently working for pay?

Yes ---------[GO TO Q76-80]----------
No ----------[GO TO 81]----------
Don't Know ----------
Refused/No Answer ----------

IF WORKING FOR PAY IN Q75 ASK:
76. Are you working for someone else or are you self-employed?

Someone Else ----------
Self-Employed ----------
Both (VOLUNTEERED) ----------
Refused/NA ----------

77. Are you working full-time or part-time?

Full-time ----------
Part time ----------
Refused/NA ----------

78. In What kind of business or industry do you work? (For example, TV and radio, manufacturing, retail/shoe store, state labor department, farm)?

(RECORD RESPONSE)_____

Refused/NA ----------

What kind of work do you do (For example: electrical engineer, stock clerk, typist, farmer)? (RECORD RESPONSE)_____

Refused/NA ----------

80. Counting all locations where your employer (company) operates, what is the total number of persons who work for your employer (company)?

PROBE FOR AND RECORD SPECIFIC NUMBER

Don't Know ----------
Refused/NA ----------

IF NOT WORKING FOR PAY IN Q75 ASK:

81. Would you describe yourself as:

A student ----------
A homemaker ----------
Retired ----------
Unemployed/laid-off ----------
Something else (SPECIFY)_____
Refused/NA ----------

82. What is your current marital status?

Married ----------
Divorced/Separated ----------
Widowed----------
Single / Never Married ----------
Other ----------
Refused / No Answer ----------

83. Was your total household income in 1990 over $40,000 or under $40,000 before taxes?

IF UNDER $40,000 ASK: WAS YOUR INCOME:

Under $10;000 ----------
$10,000 - $14,999 ----------
$15,000 - $19,999 ----------
$20,000 - $24,999 ----------
$25,000 - $29,999 ----------
$30,000 - $39,999 ----------

IF OVER $40,000 ASK: WAS YOUR INCOME:

$40,000 - $49,999 ----------
$50,000 - $74,999 ----------
$75,000 - $99,999 ----------
$100,000 - $124,999 ----------
$125,000 - $149,999 ----------
$150,000 and Over ----------
Don't Know ----------
Refused ----------

84. What is your racial background?

American Indian ----------
Alaska Native ----------
Asian or Pacific Islander----------
Black ----------
White ----------
Other ----------
Don't Know ----------
Refused ----------

85. Are you of Hispanic ancestry?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

86. SEX OF RESPONDENT:

Male ----------
Female ----------

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION

APPENDIX E

SOCIAL SECURITY QUESTIONNAIRE

Social Security National Survey
October, 1991

Hello, my name is_____, and I'm with American Viewpoint, an independent survey research firm located in Alexandria, Virginia. We are conducting a survey for the Advisory Council on Social Security. Your participation in this survey is very important. The results of the survey will be in a report that will go to the President, the Congress, and the Secretary of Health and Human Services. Your participation in this survey is voluntary, but we would really appreciate your cooperation and help. Your responses will be kept completely confidential and will never be identified with you.

A1. Are you over or under 65 years of age?

Under 65 ----------
65 and over ----------
Refused/NA [T&T]----------

A1A. In what year were you born? (RECORD RESPONSE)

18-24 ----------
25-34 ----------
35-44 ----------
45-54 ----------
55-64 ----------
65 And Over ----------
Refused ----------

A2. Are you currently working for pay?

Yes ----------
No ----------
Don't Know ----------
Refused/No Answer ----------

ASK OF ALL RESPONDENTS

Now I'd like to read you the names of several programs and have you tell me if your impression of that program is very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable. If you're not familiar with the program, just say so. The first name is...

ROTATE:

	VERY FAVOR	SOME FAVOR	SOME UNFAV	VERY UNFAV	NO OPINION	NOT FAMILIAR	REF.
A3. The Social Security Program (Social Security)							
A4. The Medicare Program							
A5. The Medicaid Program							
A6. The Supplemental Security Income (SSI) Program							

A7. Are you, or is any member of your household, currently receiving Social Security benefits?

Yes-Respondent [GO TO A/Y SERIES]---14%
Yes-HH Member [GO TO A/N SERIES]---- 8%
Yes-Both [GO TO A/Y SERIES]--------- 5%
No -[GO TO A/N SERIES]-------------73%
Don't Know A/N SERIES]------------- *
Refused/No Ans-[T&T]--------------- 0%

IF RESPONDENT (1/3) RECEIVING BENEFITS IN QA7 ASK:

A8. Which of the following types of Social Security benefits do you or other members of your household receive? (Respondent may have more than one response)

Retirement income----------
Survivor's benefits----------
Medicare ----------
Disability benefits ----------
Supplemental Security Income (SSI) -
Other ----------
None ----------
Don't Know ----------
Refused/No Answer ----------

Y2. Do you receive Social Security benefits based on:

Your own employment ----------
Your spouse's employment----------
Your Own AND Your Spouse's Employment
Someone Else's employment ----------
Other ----------
Don't Know ----------
Refused/No Answer ----------

A9. Have you had any contact with the Social Security Administration in the past five years?

Yes ----------
No ----------
Don't Know ----------
Refused/No Answer ----------

Please tell me whether the following statements are true or false:

ALTERNATE QUESTIONS A10 AND A11

A10. Workers at age 65 can receive their entire Social Security benefit regardless of how much they currently earn from work.

True ----------
False ----------
Don't Know ----------
Refused/NA ----------

A11. Workers at age 70 can receive their entire Social Security benefit regardless of how much they currently earn from work.

True ----------
False ----------
Don't Know ----------
Refused/NA ----------

A12. Have you ever received a record of your earnings from the Social Security Administration?

Yes ----------
No ----------
Don't Know ----------
Refused/No Answer ----------

A13. How often do you need to receive a statement of the earnings that are on your Social Security record?

Every Year ----------
Every Three Years ----------
Every Five Years ----------
Every 10 Years ----------
Only When I Request It ----------
Don't Know ----------
Refused/No Answer ----------

Are you familiar with:
IF RESPONDENT IS FAMILIAR GO TO A&B SERIES -- IF NOT FAMILIAR CONTINUE WITH NEXT ITEM

	Familiar	Not Familiar	DK	REF/NA
A14. The toll-free 800 number operated by the Social Security Administration				
A15. Your local Social Security office				
A16. The disability program run by the Social Security Administration				
A17. The Supplemental Security Income program (SSI) run by the Social Security Administration				
A18. The retirement and survivors program run by the Social Security Administration				

FOR EACH ITEM RESPONDENT IS AWARE OF IN QA14-18 ASK:

On a 1-10 scale, with "10" meaning excellent service and "1" meaning very poor service, please rate the quality of the Social Security Administration's service:NAME OF EACH ITEM RESPONDENT IS AWARE OF IN QA14-18.

	1	2	3	4	5	6	7	8	9	10	DK/ Ref.	Can't Rate	MEAN
A14A. In administering the toll-free 800 information number													
A15A. At your local Social Security office													
A16A. In administering the disability program													
A17A. In administering the Supplemental Security (SSI) program													
A18A. In administering the retirement and survivors program													

A14B How did you find out about the toll-free 800 information number?

Used it myself ----------
Friends/Family ----------
Newspapers/Magazines ----------
Radio/Television ----------
From the Social Security Admin------
Phone Book ----------
At Work ----------
Other (Specify)_____ -----
Don't Know ----------
Refused/NA ----------

A15B How did you find out about your local Social Security Office?

Used it myself ----------
Friends/Family ----------
Newspapers/Magazines ----------
Radio/Television ----------
From the Social Security Admin------
Phone Book ----------
At Work ----------
Other (Specify)_____ -----
Don't Know ----------
Refused/NA ----------

A16B How did you find out about the disability program?

Used it myself ----------
Friends/Family ----------
Newspapers/Magazines ----------
Radio/Television ----------
From the Social Security Admin------
Phone Book ----------
At Work ----------
Other (Specify)_____ -----
Don't Know ----------
Refused/NA ----------

A17B How did you find out about the Supplemental Security Income program?

Used it myself ----------
Friends/Family ----------
Newspapers/Magazines ----------
Radio/Television ----------
From the Social Security Admin------
Phone Book ----------
At Work ----------
Other (Specify)_____ -----
Don't Know ----------
Refused/NA ----------

A18B How did you find out about the retirement and survivors program?

Used it myself ----------
Friends/Family ----------
Newspapers/Magazines ----------
Radio/Television ----------
From the Social Security Admin------
Phone Book ----------
At Work ----------
Other (Specify)_____ -----
Don't Know ----------
Refused/NA ----------

In the past five years, have you ever:

	Yes	No	DK	REF/NA
A19. Used the toll-free 800 information number				
A20. Been to your local Social Security office				

Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements about the Social Security Program.

ROTATE

	STRONG AGREE	SOME-WHAT AGREE	SOME WHAT DIS-AGREE	STRONG DIS-AGREE	BOTH/ NEITHER	DON'T KNOW REF
N2. [IF NOT RECEIVING BENEFITS IN QA7 READ:] Social Security will have the money to pay benefits to me when I retire.						
A21. The Social Security Program will be paying benefits to those who retire 30 years from now.						
A22. I don't mind paying Social Security taxes to support the program.						

A23. Which of the following statements is closer to your view of what the purpose of the Social Security retirement benefits program should be?

ROTATE

Social Security retirement benefits should, alone, provide enough money to meet the basic needs and obligations of retired people

OR

Social Security retirement benefits should not by themselves provide enough money to meet all the basic needs and obligations of retired people, but should provide enough so that together with other sources of income, retired people may have their basic needs and obligations met

SS Should Meet All ----------
SS Together w/other ----------
Don't Know ----------
Refused/NA ----------

A24. Which of the statements I just read best describes the way the Social Security program actually works? [REPEAT STATEMENTS IF NECESSARY]

ROTATE

Social Security retirement benefits, alone, provide enough money to meet the basic needs and obligations of retired people

OR

Social Security retirement benefits do not by themselves provide enough money to meet all the basic needs and obligations of retired people, but provide enough so that together with other sources of income, retired people may have their basic needs and obligations met

SS Should Meet All ----------
SS Together w/other ----------
Don't Know ----------
Refused/NA ----------

A25. Over the past five years, has your confidence in the Social Security Program gotten **[ROTATE BETTER/WORSE]** a lot better, a little better, stayed about the same, gotten a little worse, or gotten a lot worse?

A Lot Better ----------
Little Better ----------
Same ----------
Little Worse ----------
A Lot Worse ----------
Don't Know ----------
Refused/NA ----------

A32A. [IF DISAGREE IN QA32 ASK]

Should the Social Security Program be abolished, replaced with something else, or modified?

Abolished[GO TO 33]----------
Replaced [GO TO 32B]----------
Modified [GO TO 32C]----------
Don't Know ----------
Refused/NA ----------

[IF REPLACED IN Q32A ASK:]
A32B. With what should the Social Security program be replaced?

Mandatory I.R.A.s ----------
Personal Savings and investments ---
Other (Specify)_____-----
Don't Know ----------
Refused/No Answer ----------

IF MODIFIED IN Q32A ASK:]
A32C. How should the Social Security program be modified? [ASK AS OPEN END]

_____

_____

IF UNDER AGE 65 IN QA1 ASK:

Thinking about when you will be age 65 and the types of income you may have, please tell me whether you expect each of the following to be a major source of income, a minor source, or not a source of income when you retire.

	Major	Minor	Not	DK	REF/NA
Income from children, other relatives, or friends					
A34. Income from part-time work or job taken after retirement					
A35. Income from personal savings, investments, insurance or annuity					
A36. Social Security					
A37. Supplemental Security Income					
A38. Other government programs such as veteran's benefits or food stamps					
A39. Pensions from employment by a private company or other non-government employer					
A40. Pension from government employment, or a branch of government					
A41. Pension from Individual Retirement Account or Keough Plan					
A42. 401(k) plan or other thrift savings plan					

A43. Now looking ahead to when you will be 65, which source do you expect to be your most important source of income? **(Prompt with Major Sources if necessary)**

Income From Children, Etc. ---------
Part-Time Work or Job --------------
Personal Savings and Investments ---
Social Security --------------------
Supplemental Security Income -------
Other Government Programs ----------
Pensions from employers ------------
Pensions from Government -----------
IRAs or Keough Plans ---------------
401(k) or Other Thrift Plan --------
Don't Know/Refused -----------------

A44. And which source do you expect to be the second most important?

Income From Children, Etc. ---------
Part-Time Work or Job ---------
Personal Savings and Investments ---
Social Security ---------
Supplemental Security Income -------
Other Government Programs ----------
Pensions from employers ------------
Pensions from Government -----------
IRAs or Keough Plans ---------------
401(k) or Other Thrift Plan --------
Don't Know/Refused -----------------

A45. How would you describe your retirement income: your retirement income will be enough to allow you to live comfortably, it will be only enough to pay your monthly bills and obligations, or it will not be enough to pay your monthly bills and obligations?

Enough to live comfortably ---------
Enough only to pay monthly bills----
Not enough to pay monthly bills ----
Don't Know ------------------------
Refused/NA ------------------------

A36A. **IF EXPECT SOCIAL SECURITY BENEFITS (3 OR 2) IN A36 ASK:**
Do you expect to receive Social Security benefits on your own employment record or on someone else's, such as your spouse?

Own Employment------------------------
Spouse's Employment-------------------
Both Own & Your Spouse's Employment---
Someone Else's Employment ------------
Other ---------------------------------
Don't Know ----------------------------
Refused/No Answer ---------------------

IF AGE 65 OR OLDER IN QA1
Thinking about the types of income people have, please tell me whether you consider each of the following to be a major source of income, a minor source, or not a source of income at the present time.

	Major	Minor	Not	DK	REF/NA
A46. Income from children, other relatives, or friends					
A47. Income from part-time work or job taken after retirement					
A48. Income from personal savings, investments, insurance or annuity					
A49. Social Security					
A50. Supplemental Security Income					
A51. Other government programs such as veteran's benefits or food stamps					
A52. Pensions from employment by a private company or other non-government employer					
A53. Pension from government employment, or a branch of government					
A54. Pension from Individual Retirement Account or Keough Plan					
A55. 401(k) plan or other thrift savings plan					

A56. Which source do you consider to be your most important source of income?

Income From Children, Etc. ---------
Part-Time Work or Job --------------
Personal Savings and Investments ---
Social Security --------------------
Supplemental Security Income -------
Other Government Programs ----------
Pensions from employers ------------
Pensions from Government -----------
IRAs or Keough Plans ---------------
401(k) or Other Thrift Plan --------
Don't Know/Refused -----------------

A57. And which source do you consider to be the second most important?

Income From Children, Etc. ---------
Part-Time Work or Job ---------
Personal Savings and Investments ---
Social Security ---------
Supplemental Security Income ---
Other Government Programs ---------
Pensions from employers ---------
Pensions from Government ---------
IRAs or Keough Plans ---------
401(k) or Other Thrift Plan ---
Don't Know/Refused ---------

A58. How would you describe your current income: Your income is enough to live on comfortably; it is only enough to pay your monthly bills and obligations; or it is not enough to pay your monthly bills and obligations?

Enough to live comfortably ---
Enough only to pay monthly bills---
Not enough to pay monthly bills ---
Don't Know ---
Refused/NA ---

ASK ALL RESPONDENTS

A59. At what age do you expect to stop working?

Under Age 50 ---
50-54 ---
55-59 ---
60-64 ---
65-69 ---
70-74 ---
75+ ---
Have never worked ---
Don't Know ---
Refused/NA ---

A60. Some people consider postponing retirement until the time they reach age 70. How appealing do you find the idea of late retirement -- very appealing, somewhat appealing, somewhat unappealing, or very unappealing?

Very Appealing ---
Somewhat Appealing ---
Somewhat Unappealing---
Very Unappealing ---
Don't Know ---
Refused/NA ---

Under a Social Security rule, workers over the age of 70 receive the entire Social Security benefit due them regardless of how much money they earn from work. For a worker age 65-69, however, benefits are reduced by 1$ for every $3 earned over $9,720 per year.

IF AGE 65+ IN QA1 AND NOT WORKING FOR PAY IN QA2 ASK:

RET1. Do you think that this rule should: definitely be continued, probably be continued, probably be eliminated, or definitely be eliminated?

Definitely Be Continued ----------
Probably Be Continued ----------
Probably Be Eliminated ----------
Definitely Be Eliminated ----------
Don't Know ----------
Refused/NA ----------

RET2. On a 1-5 scale where 5 means you strongly believe and 1 means you totally disbelieve, how strongly do you believe that people over age 65 stop working or reduce their earnings from working because of this rule?

5	4	3	2	1	DK	REF/NA	Mean Rating

RET3. Have you stopped working, or limited your earnings, because of this rule?

Stopped Working ----------
Limited Earnings ----------
Neither ----------
Don't Know ----------
Refused/NA ----------

RET4. If this rule were eliminated, would you return to work or earn more than $9,720 per year?

Return----------
Earn More ----------
No/Neither----------
Don't Know ----------
Refused/NA ----------

IF ELIMINATED IN QRET1 ASK:

RET5. If this rule were eliminated, it is estimated that it would cost the Social Security trust funds $26 Billion in the first five years. Knowing this, do you believe the rule should be continued or eliminated?

Continued ----------
Eliminated ----------
Don't Know ----------
Refused/NA ----------

IF AGE 65+ IN QA1 AND WORKING FOR PAY IN QA2 ASK:

RET6. Do you think that this rule should: definitely be continued, probably be continued, probably be eliminated, or definitely be eliminated?

Definitely Be Continued ----------
Probably Be Continued ----------
Probably Be Eliminated ----------
Definitely Be Eliminated ----------
Don't Know ----------
Refused/NA ----------

RET7. Are your Social Security benefits currently being reduced because of this rule?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

RET8. On a 1-5 scale where 5 means you strongly believe and 1 means you totally disbelieve, how strongly do you believe that people over age 65 stop working or reduce their earnings from working because of this rule?

5	4	3	2	1	DK	REF/NA	Mean Rating

RET9. Have you reduced your income from work because of this rule?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

RET10. If the rule were eliminated, would you increase your earnings from working?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

IF ELIMINATED IN QRET6 ASK:

RET11. If this rule were eliminated, it is estimated that it would cost the Social Security trust funds $26 Billion in the first five years. Knowing this, do you believe the rule should be continued or eliminated?

Continued ----------
Eliminated ----------
Don't Know ----------
Refused/NA ----------

IF UNDER AGE 65 IN QA1 ASK:

RET12. Do you think that this rule should: definitely be continued, probably be continued, probably be eliminated, or definitely be eliminated?

Definitely Be Continued ----------
Probably Be Continued ----------
Probably Be Eliminated ----------
Definitely Be Eliminated ----------
Don't Know ----------
Refused/NA ----------

RET13. On a 1-5 scale where 5 means you strongly believe and 1 means you totally disbelieve, how strongly do you believe that people over age 65 stop working or reduce their earnings from working because of this rule?

5	4	3	2	1	DK	REF/NA	Mean Rating

RET14. Have you, or has anyone you know, had Social Security benefits reduced because of this rule?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

RET15. Have you, or has anyone you know, reduced earnings from work because of this rule?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

IF ELIMINATED IN QRET12 ASK:

RET16. If this rule were eliminated, it is estimated that it would cost the Social Security trust funds $26 Billion in the first five years. Knowing this, do you believe the rule should be continued or eliminated?

Continued ----------
Eliminated ----------
Don't Know ----------
Refused/NA ----------

ASK ALL RESPONDENTS

Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

DO NOT ROTATE A61/62 ROTATE A63/64	STRONG AGREE	SOME AGR.	SOME DIS.	STRONG DIS.	NEI-THER	DON'T KNOW	REF/ NA
A61. Americans who are over age 85 and living alone are more likely to be poor than are younger Americans							
A62. Something should be done to prevent very old Americans from becoming poor							
ROTATE A63/64 A63. The Social Security system should be changed, regardless of the cost, to prevent very old Americans from becoming poor							
A64. Programs specifically designed to aid the poor, not Social Security, should be used to prevent very old Americans from becoming poor							

A65. In the past, women who have taken time out of the workforce to care for young children or disabled family members have earned less income than they would have if they had stayed in the workforce. As a result, their Social Security benefits are lower. Should these women have their Social Security benefits raised to take this time into account?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

A66. In general, in cases in which each member of an elderly couple receives a Social Security benefit and one member of that couple dies, the surviving member will receive only the higher of the two benefits the couple had received. Some have tried to make the case that the survivor should be allowed to keep two-thirds of the couple's combined benefit, if that would result in a higher Social Security benefit. Do you believe that such a change should be made in the Social Security system?

Yes ---[GO TO QA67]----------
No ----------
Don't Know ----------
Refused/NA ----------

IF YES IN QA66 ASK:

A67. If you found that this is estimated to cost $2.6 billion over five years, do you believe that the Social Security system should be changed to allow the widow or widower to keep two-thirds of the couple's combined benefits, if that would result in a higher benefit?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

In the past five years, have you ever:

	Yes	No	DK	REF/NA
A68. Applied for Social Security disability benefits				
A69. Applied for SSI benefits				

A70. **IF YES IN QA68 ASK:** Was your application for disability benefits approved or denied?

Approved ----------
Denied ----------
Refused/NA ----------

A71. **IF YES IN QA69 ASK:** Was your application for supplemental security income (SSI) benefits approved or denied?

Approved ----------
Denied ----------
Refused/NA ----------

A72. What percentage of the Social Security tax dollars collected do you think goes to paying <u>benefits</u> as opposed to administrative or other expenses?

Less than 25% ----------
25-45% ----------
45-75% ----------
75-95% ----------
95-100% ----------
Don't Know ----------
Refused/No Answer ----------

Thinking about the Medicare Program for a moment...

In the future, if Medicare doesn't have enough money to pay for the benefits promised, do you strongly favor, somewhat favor, somewhat oppose or strongly oppose each of the following options as a way of enabling the system to continue paying benefits?

READ AND ROTATE LIST	Str Favor	Some Favor	Some Opp	Str Opp	Don't Know	Refused/ No Answer
A73. Raise the Social Security taxes that workers pay on earnings						
A74. Reduce the services that Medicare pays for						
A75. Raise the taxes retirees pay on their Social Security benefit so that it is treated like other pensions.						
A76. Make higher income elderly people pay more for their Medicare premium						
A77. Raise the share of health expenses that Medicare recipients have to pay themselves						

A78. What percentage of the Medicare tax dollars collected do you think goes to paying benefits as opposed to administrative or other expenses?

Less than 25% ----------
25-45% ----------
45-75% ----------
75-95% ----------
95-100% ----------
Don't Know ----------
Refused/No Answer ----------

And now I have just a few questions for statistical purposes....

D1. Are you currently receiving Supplemental Security Income (SSI) benefits?

Yes ----------
No ----------
Don't Know ----------
Refused/NA ----------

Which of the following types of health insurance do you have? (ALLOW MORE THAN ONE RESPONSE)

Insurance you purchased on your own ----------

Insurance provided by your or your spouse's employer ----------

A supplemental policy you purchased to cover ----------
the things your insurance from work doesn't cover

Medicare ----------

Medicare Supplemental plan from your employer ----------

Private Medigap Plan----------

Long Term Care Insurance (Including nursing home insurance)----------

Medicaid ----------

Some other public health care program ----------

No health care insurance ----------

Other ----------

Don't Know ----------
Refused/No Answer ----------

D3. What do you use for basic and routine health care services?

Your own doctor ----------
A network of doctors from which you can choose -
Health Maintenance Organization ----------
Public Clinic ----------
Military Facility ----------
Hospital Emergency Room ----------
Other [Specify]_____----------
Don't Know ----------
Refused/NA ----------

D4. What is the last grade of school you completed?

Grade School Or Less (1-8) ---------
Some High School ----------
High School Graduate ----------
Vocational / Technical Training ----
Some College (Less Than 2 Years) ---
Some College (2 Years Or More) -----
College Graduate ----------
Post Graduate Work ----------
Don't Know / Refused ----------

IF WORKING FOR PAY IN QA2 ASK:

D5. Are you working for someone else or are you self-employed?

Someone Else ----------
Self-Employed ----------
Both (VOLUNTEERED) ----------
Refused/NA ----------

D6. Are you working full-time or part-time?

Full-time ----------
Part time ----------
Refused/NA ----------

D7. In what kind of business or industry do you work? (For example, TV and radio, manufacturing, retail/shoe store, state labor department, farm)?

(RECORD RESPONSE)_____PRECODE LIST_____

Refused/NA ----------

D8. What kind of work do you do (For example: electrical engineer, stock clerk, typist, farmer)?

(RECORD RESPONSE)_____PRECODE LIST_____

Refused/NA ----------

D9. Counting all locations where your employer (company) operates, what is the total number of persons who work for your employer (company)?

PROBE FOR AND RECORD SPECIFIC NUMBER

Don't Know ----------
Refused/NA ----------

IF NOT WORKING FOR PAY IN QA2 ASK:
D10. Would you describe yourself as:

A student ----------
A homemaker ----------
Retired ----------
Unemployed/laid-off ----------
Disabled ----------
Something else (SPECIFY)_____-
Refused/NA ----------

D11. What is your current marital status?

Married ----------
Divorced/Separated ----------
Widowed----------
Single / Never Married ----------
Other ----------
Refused / No Answer ----------

D12. Do you have any children under 12 years old?

Yes ----------
No ----------
Refused/No Answer ----------

D13. Was your total household income in 1990 over $40,000 or under $40,000 before taxes?

IF UNDER $40,000 ASK: WAS YOUR INCOME:

Under $10,000 ----------
$10,000 - $14,999 ----------
$15,000 - $19,999 ----------
$20,000 - $24,999 ----------
$25,000 - $29,999 ----------
$30,000 - $39,999 ----------

IF OVER $40,000 ASK: WAS YOUR INCOME:

$40,000 - $49,999 ----------
$50,000 - $74,999 ----------
$75,000 - $99,999 ----------
$100,000 - $124,999 ----------
$125,000 - $149,999 ----------
$150,000 and Over ----------
Don't Know ----------
Refused ----------

D14. What is your racial background?

American Indian ----------
Alaska Native ----------
Asian or Pacific Islander----------
Black ----------
White ----------
Other ----------
Don't Know ----------
Refused ----------

D15. Are you of Hispanic ancestry?

Yes -[GO TO D15A]----------
No ----------
Don't Know ----------
Refused/NA ----------

D15A. IF YES IN 15 ASK: And is your ancestry

Puerto Rican ----------
Cuban ----------
Mexican, Mexicano, Mexican American
Chicano
Other Latin American ----------
Other Spanish ----------
Refused/NA ----------

D16. SEX OF RESPONDENT:

Male ----------
Female ----------

GEOGRAPHIC REGIONS

New England ----------
Middle Atlantic ----------
East North Central ----------
West North Central ----------
South Atlantic ----------
East South Central ----------
West South Central ----------
Mountain ----------
Pacific ----------

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION

APPENDIX F

SURVEY METHODOLOGY

Methodology

Two national telephone surveys were conducted by American Viewpoint, Inc., on behalf of the Advisory Council on Social Security. Interviewing for the Social Security National Survey (N=1,231) was conducted between October 17 and 25, 1991. Interviewing for the National Health Care Survey (N=1,225) was conducted between October 27 and November 6, 1991. Interviews for both surveys were conducted with randomly selected adults in the continental United States. A national random digit probability sample was employed for both surveys. The samples were stratified probability proportionate to size designs. To equalize the probability of telephone household selection from anywhere in the country, the samples were systematically stratified to all counties in the country in proportion to each county's share of telephone households. When using this design, which includes random selection of respondents within households, every adult in the continental United States has an equal probability of being selected. The sampling method employed produces element samples rather than clustered samples (which can increase error estimates). Well-conducted telephone surveys using this type of sample can be reliably projected, on a national basis, to some 86 million American households.

Sample frame construction consisted of a series of steps to narrow the search for 86 million operating residential phone numbers from a pool of 450 million possibilities to a pool of approximately 164 million. Care was taken to minimize the elimination of actual residential listings while at the same time increasing their probability of selection from .24 to .59 or higher.

A list of about 45,000 area code/exchange combinations currently operative in the United States is maintained by the Long Lines division of AT&T and is updated monthly. However, not all these exchanges are used for residential purposes. Some are devoted to internal telephone company use; some held for future expansion; others assigned exclusively to large companies or government agencies. To eliminate non-residential exchanges from the frame, a special data file was developed to include all apparent residential listings.

Operations are then performed on the file to: add the appropriate area code and time zone to each telephone number; sort all numbers to area code, exchange, and phone number sequence; tabulate the county(ies) of residence for all the residential numbers for each exchange; tabulate which ZIP codes are associated with each exchange and the number of listings in each ZIP code; count the number of listings in each exchange; identify the working blocks of each exchange.

Next, non-working blocks of numbers are eliminated from working exchanges and frequency distributions of block density are tabulated by state. The general pattern of these closely resembles one derived from a national random digit telephone survey conducted at the Survey Research Center of the University of Michigan (Robert Groves, "An Empirical Comparison of Two Telephone Sample Designs," Journal of Marketing Research, November, 1978 pp. 622-31). This study estimated national block density of both listed and unlisted residential phones and showed a mode of about .75. The ratio of all telephones to listed phone households is 1.23.

Applying this adjustment to .6 (the approximate mode of listed residential density) produces an estimated chance of hitting a phone household of .74.

The close correspondence between the curves for this frame, based on listed residences, and the Groves curve, based on all telephone households, lends empirical support to an important assumption required by the new sampling model: that the assignment of numbers to households is made independently of their publication status in the directory. As a result, unlisted numbers will tend to be found in the same blocks as listed numbers. Further, blocks heavily used for listed households will also tend to have a higher incidence of unlisted numbers, except for those blocks totally filled with listed numbers.

In this model, the sampling frame is accessed in such a way as to produce proportionate stratified random samples from working blocks of exchanges located within specified geographic boundaries. The method of stratification is highly important to the control of bias that might be introduced through improper use of the sampling frame. The problem is that the incidence of unlisted numbers is quite variable from one area of the country to another. Generally, the use of unlisted numbers is much more an urban phenomenon than a rural one. However, great variation is found even among large cities and in certain rural areas. Without adjustment, therefore, the sampling frame would tend to over-represent certain areas and under-represent others.

To equalize the probability of telephone households being selected anywhere in the country, samples are first systematically stratified to all counties in proportion to each county's share of the telephone households in the survey area. A second level of stratification occurs when specific working blocks within a selected county are selected. The total number of working blocks is then calculated and that sum is divided by the number of sampling points assigned to county. This produces a sampling interval in which all blocks have an equal chance of being selected. Blocks within a county are ordered in ascending order by exchange and block number within exchange.

From a random start within the first interval, one or more blocks are selected in a systematic fashion. Once a specific block has been selected, two random digits in the range 00-99 are appended to the exchange-block creating a complete telephone number. That number is then matched against the Yellow Page business numbers. If a match occurs, that number is discarded and replaced by a new number from the same block. Thus, all working blocks are given equal probability of selection.

The methods of stratification described in this section have been developed primarily to equalize the probability of selection for all telephone homes in the United States. The resulting samples resemble epsem samples in which all population elements have equal probability of selection Such samples have the advantage of being, to a large degree, self-weighting.

The samples are element samples. Careful steps are followed to avoid clustering sampling points in any fashion. The use of clustering, though usually necessary when personal interviewing is

required in the field, almost always has adverse effects on the statistical efficiency of a survey. For example, Groves reports that the use of nine-element clusters in a national telephone survey increased error estimates from 17 to 40 percent.

Finally, upon selection, samples are ordered by time zone, area code and exchange and then systematically divided into a number of subsamples or replicates. As noted above, proper administration procedures are also critical to accurate research. As a result, all sample replicates were completely dialed through in order to give respondents equal probability of selection, thereby maintaining the random nature of the original sample. Extensive call-back procedures used to ensure a random and representative sample.

The samples were stratified by nine U.S. Census regions.

Regional Strata
U.S. National Social Security Survey
October, 1991

Census Regions	Number of Interviews	Percent of Interviews
New England	68	6%
Middle Atlantic	192	16%
East North Central	208	17%
West North Central	87	7%
South Atlantic	222	18%
East South Central	75	6%
West South Central	128	10%
Mountain	65	5%
Pacific	186	15%

U.S. National Health Care Survey
October/November 1991

Census Regions	Number of Interviews	Percent of Interviews
New England	67	6%
Middle Atlantic	191	16%
East North Central	207	17%
West North Central	87	7%
South Atlantic	220	18%
East South Central	75	6%
West South Central	127	10%
Mountain	65	5%
Pacific	185	15%

Sample Weights

The samples were checked against census data and adjustment weights were applied to ethnicity, gender, region and age.

Sample Error

The sample error for a simple random sample (N=1,231 or N=1,225) is $\pm$ 2.9 percentage points at the 95% level of confidence. This means that 95 out of 100 simple random samples will have their estimate within $\pm$ 2.9 percent of the population value. The following table indicates the range of sampling error for various sample sizes and response frequencies.

Sample Error -- 95% Confidence Level

	N= 100 %	N= 200 %	N= 300 %	N= 400 %	N= 600 %	N= 800 %	N= 1000 %	N= 1200 %
If response is near:								
10% or 90%	6	4	3	3	2	2	2	2
20% or 80%	8	6	4	4	3	3	3	3
30% or 70%	9	6	6	5	4	3	3	3
40% or 60%	10	6	6	5	4	4	3	3
50%	10	6	6	5	4	4	3	3

Interviewing and Data Processing

All interviews were conducted on a computer-assisted telephone interviewing system using SURVENT software from Computers for Marketing Corporation. This approach involves the use of CRTs directly on line with the computer. Once the questionnaire is finalized, the text is programmed into the computer along with answer codes, skip logic, and cleaning logic. Because the computer does the thinking for the interviewer in terms of contingency statements and skip logic and checks the data instantaneously, the result is nearly 100% clean data in machine-readable format at the conclusion of each interview. Data processing was conducted on a Northgate 386/25 using UNCLE software from World Research Limited. Statistical analyses were conducted using SPSS, the Statistical Package for the Social Sciences.

Survey Analysis and Direction

Data analysis was conducted by Gary Ferguson, Linda DiVall, John Wilson at American Viewpoint with technical assistance from Robyn Hicks, Sloane Scott and A. Blake Thompson. Statistical analysis was conducted by Dr. Robert Hurd and Kevin Barron at Apogee Market Strategies, and Gary Ferguson at American Viewpoint. Additional analysis was provided by Robert Green at Penn + Schoen Associates. The project was directed by Gary Ferguson.

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